

Jain's

INCOME-TAX READY RECKONER 1978-79

with rates, tables and examples
for companies sur-tax, wealth-tax,
gift-tax, estate duty etc.,



also: assessment year 1979-80 for
computation of advance tax and
deduction of tax on salaries etc.,
during the financial year ending
31st march, 1979.

by Padam Chand Jain

B. COM., LL. B., F. C. A.,
CHARTERED ACCOUNTANT

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1915
INCOME TAX
READY RECD
15

The undersigned hereby certifies that the above is a true and correct copy of the original return of the taxpayer for the year 1915.

COMMISSIONER OF INCOME TAX
STATE OF NEW YORK

Very truly yours,
[Signature]
[Name]

WILLIAM C. FOLEY

JAIN'S INCOME-TAX READY RECKONER 1978-79

and

also for assessment year 1979-80 for computation of advance tax and deduction of tax on salaries etc., during the financial year ending 31st March, 1979

With rates tables and tax provisions for :

- ☐ COMPULSORY DEPOSIT SCHEME ☐ SUR-TAX ☐ GIFT TAX
- ☐ ESTATE DUTY ☐ WEALTH TAX

also

- ☐ THE FINANCE ACT, 1978
- ☐ SHARE QUOTATIONS
- ☐ RATES OF LAST EIGHT YEARS

by

D. C. Jain

V. D. Goel

Chartered Accountants

Publishers

SATYA LAW PUBLISHERS

6. NAVYUG MARKET, GHAZIABAD-201001

Phone : 85-3291

Gram : "RECKONER"

[PRICE RS. 30/- WITH (Plastic Jacket)]

published for
Satya Law Publishers
6, NAVYUG MARKET, GHAZIABAD (U. P.)

X 724

N 78



by

Raj Kumar Goel

printed at

PRABHAT OFFSET PRESS, DELHI.
JAGRITI PRESS, GHAZIABAD.

PREFACE

The important feature of direct-tax laws of our country is that amendments are introduced through the Finance Act, every year by the Parliament to regulate economic development in line with requirements of the country.

This year the Finance Minister has tried to improve upon the industrial climate by allowing deduction in computing the taxable income to the investors for investment in eligible issue of shares. The Finance Minister has also raised the rates of C.D.S. in case of current income of above Rs. 15,000. Certain technical loopholes have also been plugged in advance tax and in capital gains.

On account of the complexity of tax laws department, assesseees, tax consultant and all other concerned with taxation often need a book containing ready-to-use calculations of taxes and also the important tax provisions for ready reference. In this book efforts have been made to serve this purpose.

We must express our thanks to Shri Ashok Kumar Jain for his contributing valuable time in the compilation of this edition and M/s. Aditya Jain and Narendra Gupta for checking the tables of the book. Thanks are also due to the publishers and the printers for their strenuous efforts in bringing out the publication in time.

Ghaziabad

May 1978.

—P. C. Jain

V. P. Goel,

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DATE-WISE CHART OF TAX PAYER'S OBLIGATIONS

Date	Obligations to do	Section	Date	Obligations to do	Section
15th April	(i) File return of interest paid during the preceding quarter on which tax is deducted at source. Form No. 26A	194A	15th July	(i) File return of interest paid during the preceding quarter on which tax is deducted at source, Form No. 26A	194A
	(ii) File return of Payments to contractors or sub-contractors paid during preceding quarter on which tax is deducted at source, Form No. 26C	194C		(ii) File return of payments to contractors or sub-contractors paid during the preceding quarter on which tax is deducted at source, Form No. 26C	193C
30th April	*File annual return of employees deduction of tax Form No. 24	206 (1)	31st July	(i) File declaration regarding continuation of registration of firm where accounting year ends after 28th February, Form No. 12	184(7)
	File annual return of interest paid without deduction of tax at source Form No. 27A	206A		(ii) File return of income ***	
	File annual return dividend paid up to Rs. 250 without deduction of tax	236B		(a) for company assessee, Form No. 1	139
14th June	File estimate of income for payment of advance tax or statement of advance tax if accounting year ends on 31st December or before.	209A		(b) for assesseees (other than companies) having income from business, Form No. 2	
15th June	(i) Payment of instalment of advance tax,	210		(c) for charitable or religious trust form No. 3A	
	(ii) File annual return for payment of interest, exceeding Rs. 1000. Form No. 50.	285	1st August	interest at the rate of 12% starts being charged for failure to submit return of income which were due on 31st July,	139(18)
	(iii) File annual return for payment of dividends by a company, Form No. 51.	286	14th Sept.	File estimate of income for payment of advance tax or statement of advance tax as the case may be,	209A
30th June	(i) File declaration regarding the continuation of registration of firm if accounting year closed on 28th February or before, Form No. 12	134 (7)	15th Sept.	Advance tax instalment to be paid	210
	(ii) File return of income**	139	15th Oct.	(i) File return of interest paid during the preceding quarter on which tax is deducted at source. Form No. 26A	149A
	(a) for company assessee, Form No. 1			(ii) File return of payments to contractors or sub-contractors paid during the preceding quarter on which tax is deducted at source. Form No. 26C	149C
	(b) for assesseees (other than companies) having income from business, Form No. 2		14th Dec.	File estimate of income for payment of advance tax, if it is necessary to file, Form No. 29	209A
	(c) for assesseees who had income from salary received from Government but does not include income from house property, or profits and gains from business, profession or capital gains or agricultural income, Form No. 2A.		15th Dec.	Advance tax instalment to be paid	210
	(d) for assesseees having income other than business or profession or as referred to in clause (c) above, Form No. 3.		15th Jan.	(i) File return of interest paid during the preceding quarter on which tax is deducted at source, Form No. 26A	193A
	(e) for charitable or religious trusts, Form No. 3A			(ii) File return of payments to contractors or sub-contractors paid during the preceding quarter on which tax is deducted at source, Form No. 26C.	194C
	(iii) File return of wealth Form No. A	14	14th March	File estimate of income for payment of advance tax if it is necessary to file Form No. 29	209A
	(iv) File return of gift, Form No. A	13	15th March	instalment of advance tax to be paid	210
1st July	Interest at the rate of 12% starts being charged for failure to submit return of income which were due on 30th June	139 (8)			

*This year the Government has extended the time upto 30th June, 1978 for filing Form No. 24.

**If the total income or net wealth does not include income or net wealth from business or profession whose accounting year ends after 28th February, 1978.

***If the total income or net wealth includes income or net wealth from business or profession whose accounting year ends after 28th February, 1978.

MAIN CHANGES EFFECTED IN DIRECT TAX LAWS BY THE FINANCE ACT, 1978

Compulsory Deposit :

The rates of Compulsory Deposit have been raised with effect from assessment year 1979-80 i. e. on the initial slab of Rs. 25,000/- from 4% to 4.5%; Rs. 25,001/- to Rs. 35,000/- from 10% to 11%; Rs. 35,001/- to Rs. 70,000/- from 10% to 12.5% and over Rs. 70,000/- from 12% to 15%.

Income Tax :

- (1) The Indian citizens employed outside India may stay on vacation in India for 89 days in a year as non-resident in India without attracting tax liability in respect of income accrued or received in India.
- (2) The deduction in respect of let out residential units the erection of which are completed after 31st March, 1978, has been increased from Rs. 1200/- to Rs. 2400/-
- (3) Initial depreciation allowance in respect of residential house for low paid employees has been raised from 20% to 40% in respect of buildings newly erected by the employers which are used for the purpose of residence of low paid employees or are used for welfare of such employees
- (4) With effect from 1st April, 1979, the Small Scale Exporters, Recognised Export House and Consultancy Firms will be entitled to a weighted deduction of an amount equal to one and one third times of the expenditure incurred on development of export market as specified in section 35 B.
The list of the expenditure entitled to weighted deduction has also been curtailed.
- (5) A new section 35 CCA has been inserted for allowing deduction in computing taxable income in respect of payment made to associations and institutions for carrying out rural development programmes.
- (6) A new sub-section 3A in section 37 has been inserted to curb the expenditure in respect of advertisement, publicity and sales promotion where the aggregate of such expenditure in India exceeds Rs. 40,000/-. Certain expenses such as advertisement in small newspapers; advertisement in newspaper for recruitment of personnel; publication in any newspaper of any notice required to be published by or under any law; the maintenance of any office for the purpose of advertisement, publicity or sales promotion; the payment of salary to any employee engaged in advertisement, publicity or sales promotion; the holding of, or the participation in, any press conference, sales conference, trade convention, trade fair or exhibition; publication and distribution of Journals, catalogues or price-lists and such other items as may be prescribed by the C.B.D.T., have been excluded from the purview of section 37 (3A).
- (7) The quantum of deduction in respect of long term savings from L. I. C., P. F. contribution and other forms of savings has been raised. Now it will be equal to 100% of the first Rs. 5,000/- of the qualifying savings; in respect of next Rs. 5,000/- at 50%; and in respect of balance at 40%.
- (8) The Finance Act, 1978 has inserted a new section 80CC in the Income Tax Act, 1961 to provide incentive to the investors for investing the money in the eligible issue of the capital of the Public Limited Companies. The tax payer being the individual and H. U. F. etc. will be entitled to a deduction in the computation of their taxable income of an amount equal to 50% of the cost of such shares or Rs. 5,000 - whichever is less.

- (9) Section 54E has been amended in order to curb the borrowings on fixed deposits within the specified period which are purchased out of sale consideration of long term capital assets and the exemption of capital gains has been taken. The Exemption from long-term capital gains will be available in respect of investment in eligible issue of shares in place of shares of Public Limited Companies.
- (10) The provisions of capital gains have been amended at the relevant places authorising the Income Tax Officer to recompute the capital gains in respect of additional compensation awarded by the Court, etc., in cases where the capital asset is compulsorily acquired by the Central Govt. or the Reserve Bank of India.
- (11) The provision relating to payment of advance tax has been drastically amended. In case of old assesseees it is obligatory upon them in case their current income is likely to exceed the amount specified in sub-section 2 of section 208 (i.e. Rs. 2,500/- in the case of company or local authority; Rs. 30,000/- in the case of Registered firm and Rs. 10,000/- in any other case), to send a statement of advance tax payable by him to the Income-tax Officer before the date on which the first instalment of advance tax is due. The income, that will form the basis of computation of advance tax for the purposes of furnishing the statement will be the total income of the latest previous year in respect of which he has been assessed by way of regular assessment or, if a return has been filed by him for a later previous year on the basis of which tax has been paid by way of self-assessment u/s 140 A of the Income-tax Act, 1961 the income returned, whichever is higher. If the current income is lesser then the assessee has a option to file a estimate instead of furnishing the statement of advance tax.
- (12) Specified Hindu Undivided Families who were denied deduction in respect of donations (80 G), rents paid (80 GG), interest from banks, dividends (80 L), etc. etc, for the assessment year 1977-78 and 1978-79 would be eligible for deduction from the assessment year 1979-80 and onwards.

DEFINITIONS

General :

The Income-tax Act, 1961 came into force in India with effect from 1st April, 1962. Prior to it, the Income-tax Act of 1922 was in force. This latter law was repealed and was replaced by the present Act which has also been amended several times since it first came into force. This Act merely lays down the machinery for the administration, collection and recovery of income-tax. It does not lay down any schedule of tax rates. The income-tax rates are laid down in the Finance Act, which is passed by the Parliament every year.

Assessee [Sec. 2(7)]:

Section 2(7) enacts that "assessee" means a person by whom any tax or any other sum of money is payable under the Income-tax Act, and includes—

- (a) every person in respect of whom any proceeding under this Act has been taken for the assessment of his income or of the income of any other person in respect of which he is assessable, or of the loss sustained by him or by such other person, or of the amount of refund due to him or to such other person;
- (b) every person who is deemed to be an assessee under any provision of this Act;
- (c) every person who is deemed to be an assessee in default under any provision of this Act.

Under section 2(31) of Income-tax Act, the assesseees are divided into following categories according to legal status—

- (i) an individual,
- (ii) a Hindu undivided family,
- (iii) a company,
- (iv) a firm,
- (v) an association of persons or a body of individuals, whether incorporated or not,
- (vi) a local authority, and
- (vii) every artificial juridical person, not falling within any of the preceding sub-clauses.

Assessment year [Sec. 2(9)]:

Under clause 9 of section 2 of the Income-tax Act, 1961, "Assessment year" means the period of twelve months commencing on the 1st day of April every year.

Under the Income-tax Act, the income-tax year is described as assessment year, that is, the year in which the income of the previous year ended before the commencement of the assessment year, is to be assessed. Thus the assessment year 1978-79 commenced from 1st April, 1978 and would end on 31st March, 1979

Previous year [Sec. 3]:

Section 3 enacts—

(1) For the purposes of this Act, "Previous year" means :

- (a) the financial year immediately preceding the assessment year; or
- (b) if the accounts of the assessee have been made up to a date within the said financial year, then, at the option of the assessee, the twelve months ending on such date [e. g., Diwali year, Dushera year, Samvat year and so on]; or
- (c) in the case of any person or business or class of persons or business not falling within clause (a) or clause (b), such period as may be determined by the Board or by any authority authorised by the Board in this behalf; or
- (d) in the case of a business or profession newly set up in the said financial year, the period beginning with the date of the setting up of the business or profession and—
 - (i) ending with the said financial year, or

- (ii) if the account of the assessee has been made up to a date within the said financial year, then, at the option of the assessee, ending on that date, or
 - (iii) ending with the period, if any, determined under clause (c), as the case may be; or
 - (e) in the case of a business or profession newly set up in the twelve months immediately preceding the said financial year—
 - (i) if the accounts of the assessee have been made up to a date within the said financial year and the period from the date of the setting up the business or profession to such date does not exceed twelve months, then, at the option of the assessee, such period, or
 - (ii) if any period has been determined under clause (c), then the period beginning with the date of the setting up of the business or profession and ending with that period, as the case may be; or
 - (f) where the assessee is a partner in a firm and the firm has been assessed as such, then, in respect of the assessee's share in the income of the firm, the period determined as the previous year for the assessment of the income of the firm; or
 - (g) in respect of profits and gains from life insurance business, the year immediately preceding the assessment year for which annual accounts are required to be prepared under the Insurance Act, 1938, or under that Act read with section 43 of the Life Insurance Corporation Act, 1956.
- (2) Where an assessee has newly set up a business or profession in the said financial year and his accounts are made up to a date in the assessment year in respect of a period not exceeding twelve months from the date of such setting up, then, notwithstanding anything contained in sub-clause (iii) of clause (d) of sub-section (1), the assessee shall, in respect of that business or profession, at his option, be deemed to have no previous year for the said assessment year under that clause and such option shall, in relation to the immediately succeeding assessment year, have effect as an option exercised under sub-clause (i) of clause (e) of sub-section (1).
 - (3) Subject to the other provisions of this section, an assessee may have different previous years in respect of separate sources of his income.
 - (4) Where in respect of a particular source of income or in respect of a business or profession newly set up, an assessee has once exercised the option under clause (b) or sub-clause (ii) of clause (d) or sub-clause (i) of clause (e) of sub-section (1) or has once been assessed, then, he shall not, in respect of that source, or, as the case may be, business or profession, be entitled to vary the meaning of the expression "previous year" as then applicable to him, except with the consent of the Income-tax Officer and upon such conditions as the Income-tax Officer may think fit to impose.

Charge of income-tax [Sec. 4]:

Section 4 is the charging section. It lays down the incidence of the charge of income-tax :

- (a) Income-tax is to be charged at the rate fixed for the assessment year by the annual Finance Act.
- (b) The charge is to be on every person (or assessee).
- (c) The tax is to be charged on the assessee's total income of the previous year computed in accordance with the provisions of the Act.
- (d) Notwithstanding that tax is to be paid in respect of the income of a previous year, tax may be recovered on current income whenever so provided.
- (e) Even where tax is deducted at source or paid in advance, liability to pay the tax arises by virtue of this section.

The Income-tax Act is a permanent enactment, but there is no liability to tax until the annual Finance Act is passed. However, section 294 provides that, if on 1st April in any assessment year the new Finance Act has not been passed, the provisions in force in the preceding assessment year or the provisions proposed in the Finance Bill then before Parliament, whichever is more favourable to the assessee, shall apply until the Finance Act becomes effective.

The subject of charge is the income of the previous year and not the income of the assessment year. Though the subject of the charge is the income of the previous year, the law to be applied is that in force for the assessment year, and not that which was in force during the year, the income of which is under assessment.

Residence of assesseees [Sec. 6] :

According to section 5, the scope of the total income of an assessee is determined with reference to his residence in India in the previous year. For this purpose the assesseees are divided into three classes, namely—

- (1) resident and ordinarily resident ;
- (2) resident but not ordinarily resident; and
- (3) non-resident.

The question of residence must be determined with reference to each previous year, because the finding of residence in one previous year would not mean that an assessee had the same residence status in the next year. An individual, who has been regularly assessed as a resident, would have to be treated as a non-resident in any particular year if he stayed outside India throughout the whole of that year.

(1) Resident and ordinarily resident

(i) INDIVIDUALS :

According to section 6 (1), an individual is said to be resident in India in any previous year, if he—

- (a) is in India in that year for a period of, or periods amounting in all to, 182 days or more; or
- (b) maintains or causes to be maintained for him a dwelling place in India for a period of, or periods amounting in all to, 182 days or more in that year and has been in India for 30 days or more in that year; or

With effect from assessment year 1979-80 the period of stay of 30 days referred to above has been extended to ninety days in case of an Indian Citizen who is rendering service outside India and is or has been in India on leave or vacation in the previous year

- (c) has been in India (i) for at least 365 days in the four years preceding that year, and (ii) for 60 days or more in that year.

With effect from assessment year 1979-80 the period of stay of 60 days referred to above has been extended to ninety days in case of an Indian Citizen who is rendering service outside India and is or has been in India on leave or vacation in the previous year

The period of 182 or 365 days referred to above need not be continuous nor it is essential that the stay should be at the same place. A resident may pass from place to place or from house to house or from hotel to hotel. The dwelling place need not be one's own house. It may be a rented building or room in a hotel or friend's place.

Further in order that an individual may be a resident and ordinarily resident in any previous year, he must fulfil both the following conditions also, namely —

- (a) that he has been resident according to any of the above three conditions in nine out of the ten previous years preceding that year ; and
- (b) that he has during the seven previous years preceding that year, been in India for a period of, or periods amounting in all to, 730 days or more.

(ii) HINDU UNDIVIDED FAMILIES :

According to section 6(2), a Hindu undivided family is said to be resident in India in any previous year if any portion of the control and management of its affairs is situated in India. It is only when the control and management of its affairs is situated wholly outside India then it is regarded as non-resident.

Further, in order that a Hindu undivided family may be resident and ordinarily resident in any previous year, it must fulfil both the following conditions, namely—

- (a) that its manager has been resident as an individual in nine out of the ten previous years preceding that year; and
- (b) that its manager has during the seven previous years preceding that year, been in India for a period of, or periods amounting in all to, 730 days or more.

Thus, whether or not a Hindu undivided family is resident in India is decided by the location of control and management of its affairs and also by the residence of its manager.

(iii) FIRMS AND OTHER ASSOCIATIONS OF PERSONS :

According to section 6(2), a firm or other association of persons is resident in India in any previous year if any portion of the control and management of its affairs is situated in India. It is only when the control and management of its affairs is situated wholly outside India then it is regarded as non-resident.

The residence of partners or members is immaterial for the purpose of determining the residence of the firm or association, except in so far as such residence affects the control and management of the affairs of the firm or the association.

(iv) COMPANIES :

According to section 6 (3), a company is resident in India in any previous year, if (a) it is an Indian company; or (b) the control and management of its affairs is situated wholly in India during that year.

Companies incorporated outside India will be resident in India only if the control and management of their affairs is situated wholly in India. At the same time, all companies incorporated in India are to be treated as resident companies even if in some cases the control and management is shifted outside India.

(v) OTHER PERSONS :

According to section 6(4), every other persons (e.g., an artificial juridical person) is resident in India in any previous year, if any portion of the control and management of its affairs is situated in India. It is only when the control and management of its affairs is situated wholly outside India then it is regarded as non-resident.

Under section 6 (5) if a person is resident in India in a previous year relevant to assessment year in respect of any source of income, he shall be deemed to be resident in India in the previous year relevant to the assessment year in respect of each of his other sources of income.

(2) Resident but not ordinarily resident

(i) INDIVIDUALS :

According to section 6(6) (a), an individual is not ordinarily resident in India in any previous year, if—

- (a) he has not been resident in India in nine out of the ten previous years preceding that year ; or
- (b) he has not, during the seven previous years preceding that year, been in India for a period of, or periods amounting in all to, 730 days or more.

In order that an individual is 'not ordinarily resident' in India, he should satisfy one of the two conditions mentioned above.

(ii) HINDU UNDIVIDED FAMILIES :

According to section 6 (6) (b), a Hindu undivided family is not ordinarily resident in India in any previous year, if—

- (a) its manager has not been resident in India in nine out of the ten previous years preceding that year ; or
- (b) its manager has not, during the seven previous years preceding that year, been in India for a period of, or periods amounting in all to, 730 days or more.

Whether a Hindu undivided family is resident in India depends upon the location of the control and management of its affairs ; but whether it is not ordinarily resident in India is determined with reference to the residence of its manager.

It should be noted that only the individuals and Hindu undivided families can be 'not ordinarily resident' in India.

For the purpose of computing the amount of income-tax payable, a person not ordinarily resident in India is treated as a non-resident.

(3) Non-resident**(i) INDIVIDUALS :**

An individual who does not satisfy any of the three conditions laid down under section 6 (1) as stated above will be treated as "Non-resident" in India in that previous year.

(ii) HINDU UNDIVIDED FAMILIES, FIRMS OR ASSOCIATION OF PERSONS :

A Hindu undivided family, firm or other association of persons will be treated as "Non-resident" in India in any previous year if the control and management of its affairs is situated wholly outside India during that year.

(iii) COMPANIES :

A company will be treated as "Non-resident" in India in previous year if it is not an Indian company and also if the control and management of its affairs is not situated wholly in India in that year.

Scope of total income [Sec. 5] :

The scope of the total income of a person is determined with reference to his residential status in India in the previous year. The table given below will show the difference in the incidence of taxation on the basis of residence :—

SCOPE OF TOTAL INCOME OR INCIDENCE OF TAXATION [Sec. 5]

(A) Resident & ordinarily resident	(B) Resident but not ordinarily resident	(C) Non-resident
Such persons are charged on—		
I INDIAN INCOME		
1. All income received or deemed to be received in India in the previous year by or on behalf of such person [Sec. 5 (1) (a)].	1. The same as in para 1 of column (A).	1. The same as in para 1 of column (A).
2. Income accruing or arising or deemed to accrue or arise to him in India in the previous year [Sec. 3(1) (b)].	2. The same as in para 2 of column (A).	2. The same as in para 2 of column (A).
II FOREIGN INCOME		
3. Income accruing or arising outside India in the previous year [Sec. 5 (1) (c)].	3. Income accruing or arising outside India if derived from a business controlled in, or a profession set up in, India.	3. Nil.

N. B. There is no tax on foreign remittances of past profits in any case.

On a careful perusal of the above table we find that a non-resident has to pay tax only on his Indian income while residents are to pay tax on their Indian as well as foreign income subject, of course, to certain conditions described above

Income of other persons, included assessee's total income

(1) Section 60 provides that all income arising to any person by virtue of a transfer whether revocable or not and whether effected before or after the commencement of the said Act shall, where there is no transfer of the assets from which the income arises, be chargeable to income-tax as the income of the transferor and shall be included in his total income.

(2) Under section 61, all income arising to any person by virtue of a revocable transfer of assets shall be chargeable to income tax as the income of the transferor and shall be included in his total income, subject to the following exceptions made by section 62;

- (i) where the income arises to any person by virtue of a transfer by way of trust which is not revocable during the life-time of the beneficiary, and in the case of any other transfer, which is not revocable during the life-time of the transferee [in such cases, the income, in question, will be assessed in the hands of the beneficiary or the transferee, as the case may be]; or
- (ii) where the income arises to any person by virtue of a transfer made before the 1st day of April, 1961 which is not revocable for a period exceeding six years.

Under section 63 (a), a transfer is deemed to be revocable if it contains any provision for the re-transfer directly or indirectly of the whole or any part of the income or assets to the transferor; or, if it, in any way, gives the transferor a right to assume power directly or indirectly over the whole or any part of the income or assets. A "transfer" includes any settlement, trust, covenant, agreement or arrangement [s. 63 (b)].

3. INCOME OF INDIVIDUAL TO INCLUDE INCOME OF SPOUSE, MINOR CHILD, GRAND-SON, DAUGHTER-IN-LAW, ETC. [S. 64(i)],

Section 64 (1) provides that in computing the total income of any individual there shall be included all such income as arises directly or indirectly—

- (i) to the spouse of such individual from the membership of the spouse in a firm carrying on a business in which such individual is a partner;
- (ii) to the spouse of such individual by way of salary commission, fees or any other form of remuneration whether in cash or in kind from a concern in which such individual has a substantial interest :

Provided that nothing in this clause shall apply in relation to any income arising to the spouse where the spouse possesses technical or professional qualifications and the income is solely attributable to the application of his or her technical or professional knowledge and experience;

- (iii) to a minor child of such individual from the admission of the minor to the benefits or partnership in a firm;
- (iv) Subject to the provisions of clause (i) of section 27, in a case not falling under clause (i) of this sub-section, to the spouse of such individual from assets transferred directly or indirectly to the spouse by such individual otherwise than for adequate consideration or in connection with an agreement to live apart;
- (v) subject to the provision of clause (i) of section 27, in a case not falling under sub-clause (iii) of this sub-section, to a minor child (not being a married daughter) of such individual from assets transferred directly or indirectly to the minor child by such individual otherwise than for adequate consideration;
- (vi) to the son's wife or son's minor child, of such individual, from assets transferred directly or indirectly on or after the 1st day of June, 1973 to the son's wife or son's minor child by such individual otherwise than for adequate consideration; and
- (vii) to any person or association of persons from assets transferred directly or indirectly otherwise than for adequate consideration to the person or association of persons

by such individual, to the extent to which the income from such assets is for the immediate or deferred benefit of his or her spouse or minor child (not being a married daughter) or both.

Explanation—1: For the purposes of clause (i) the individual in computing whose total income referred to in that clause is to be included, shall be the husband or wife whose total income (excluding the income referred to in that clause) is greater; and, for the purposes of clause (iii), the income of the minor child from the partnership shall be included in the income of that parent whose total income (excluding the income referred to in that clause) is greater; and where any such income is once included in the total income of either spouse or parent, any such income arising in any succeeding year shall not be included in the total income of the other spouse or parent unless the income-tax Officer is satisfied, after giving that spouse or parent an opportunity of being heard that it is necessary so to do.

Explanation—2: For the purposes of clause (ii), an individual shall be deemed to have a substantial interest in a concern—

- (i) in a case where the concern is a company, if its shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than twenty per cent, of the voting power are at any time during the previous year, owned beneficially by such person or partly by such person and partly by one or more of his relatives;
- (ii) in any other case, if such person is entitled, or such person and one or more of his relatives are entitled in the aggregate, at any time during the previous year, to not less than twenty per cent, of the profits of such concern.

Explanation—3: For the purposes of clause (iv) and (v), where the assets transferred directly or indirectly by an individual to his spouse or minor child are invested by the spouse or minor child in any business, that part of the income arising out of the business to the spouse or minor child in any previous year, which bears the same proportion to the income of the spouse or minor child from the business as the value of the assets aforesaid as on the first day of the previous year bears to the total investment in the business by the spouse or the minor child as on the said day, shall be included in the total income of the individual in that previous year,

(4) INCOME OF INDIVIDUAL TO INCLUDE INCOME OF CERTAIN HINDU UNDIVIDED FAMILIES [S. 64 (2)] :

Where an individual, being a member of Hindu undivided family converts, at any time after the 31st day of December, 1969 his personal property into property belonging to the family through the act of impressing such separate property with the character of property belonging to the family or throwing it into the common stock of family, then the income derived from such converted property or any part thereof shall be deemed to arise to the individual and not to the family and included in his personal income.

Where the converted property has been the subject-matter of a partition (whether partial or total) amongst the members of the family, the income derived from such converted property as is received by the spouse or minor child on partition shall be deemed to arise to the spouse or minor child from assets transferred indirectly by the individual to the spouse or minor child, and accordingly shall be included in the total income of the individual. However, where the income from such converted property is included in the total income of the individual, such income is to be excluded from the total income of the family.

(5) Where there is a transfer of assets by any person by virtue or in consequence whereof any income become payable to a non-resident and the transferor of assets has acquired any rights by virtue of which he has the power to enjoy such income whether forthwith or in the future and he has not proved to the satisfaction of the Income-tax Officer that the transfer is not for the purpose of avoidance of liability to taxation, then such income will be deemed to be the income of the transferor [S. 93(1)].

EXCLUSIONS FROM TOTAL INCOME

Incomes which do not form part of total income

ASSESSMENT YEARS 1978-79 & 1979-80

Section

- 10** In computing the total income of a previous year of any person, any income falling within any of the following clauses shall not be included—
- 10(1)** agricultural income;
- 10(2)** subject to the provisions of sub-section (2) of section 64, any sum received by an individual as a member of a Hindu undivided family, where such sum has been paid out of the income of the family, or, in the case of any impartible estate, where such sum has been paid out of the income of the estate belonging to the family;
- 10(3)** any receipts which are of a casual and non-recurring nature, not being winnings from lotteries, to the extent such receipts do not exceed one thousand rupees in the aggregate :
- Provided that this clause shall not apply to—
- (i) capital gains chargeable under the provisions of section 45; or
- (ii) receipts arising from business or the exercise of a profession or occupation; or
- (iii) receipts by way of addition to the remuneration of an employee;
- 10(4)** in the case of a non-resident, any income from interest on such securities as the Central Government may, by notification in the Official Gazette, specify in this behalf, or any income from interest on, or from premium on the redemption of, any bonds issued by the Central Government under a loan agreement between the Central Government and the International Bank for Reconstruction and Development or under a loan agreement between the Central Government and Development Loan Fund of the United States of America or by any industrial undertaking or financial corporation in India under a loan agreement with the said Bank or Fund, as the case may be, which is guaranteed by the Central Government;
- 10(4A)** in the case of a non-resident, any income from interest on moneys standing to his credit in a Non-resident (External) Account in any bank in India in accordance with the Foreign Exchange Regulation Act, 1947, and any rules made thereunder;
- 10(5)** subject to such conditions as the Central Government may prescribe, in the case of an individual being a citizen of India,—
- (i) in relation to any assessment year not being an assessment year commencing after the 1st day of April, 1970, the value of any travel concession or assistance received by or due to such individual,—
- (a) from his employer for himself, his spouse and children in connection with his proceeding on leave to his home-district in India;
- (b) from his employer or former employer for himself, his spouse and children, in connection with his proceeding to his home-district in India after retirement from service or after the termination of his service;
- (ii) in relation to any other assessment year the value of any travel concession or assistance received by or due to such individual,—
- (a) from his employer for himself and his family, in connection with his proceeding on leave to any place in India;
- (b) from his employer or former employer for himself and his family, in connection with his proceeding to any place in India after retirement from service or after the termination of his service:
- Provided that the amount exempt under item (a) or item (b) of this sub-clause shall not, except in such cases and under such circumstances as may be prescribed having regard to the travel concession or assistance granted to the employees of the Central Government, exceed the value of the travel concession or assistance which would have been received by or due to the individual in connection with his proceeding to his home-district in India on leave or, as the case may be, after retirement from service or after the termination of his service.
- Explanation.*—For the purposes of this sub-clause, "family", in relation to an individual, means—
- (i) the spouse and children of the individual; and
- (ii) the parent, brothers and sisters of the individual or any of them wholly or mainly dependent on the individual,

in the case of an individual who is not a citizen of India,—

- (i) Subject to such conditions as the Central Government may prescribe, passage moneys or the value of any free or concessional passage received by or due to such individual:—
 - (a) from his employer for himself, his spouse and children, in connection with his proceeding on home leave out of India; from his employer, for his children having full time education in any educational institution outside India, in connection with their proceeding to India during vacation.
 - (b) from his employer or former employer for himself, his spouse and children, in connection with his proceeding to his home country out of India after retirement from service in India or after the termination of such service;
- (ii) the remuneration received by him as ambassador, high commissioner, envoy, minister, *charge d'affaires*, commissioner, counsellor or the secretary, adviser or attache of an embassy, high commission, legation or commission of a foreign State, for service in such capacity;
- (iii) the remuneration received by him as a *consul de carriere*, whether called a counsel-general, consul, vice-consul, consular agent, pro-consul or by any other name, of a foreign State for service in such capacity;
- (iv) the remuneration received by him as a trade commissioner or other official representative in India of the Government of a foreign State (not holding office as such in an honorary capacity), if the remuneration of the corresponding officials, if any, of the Government resident for similar purposes in the country concerned enjoys a similar exemption in that country;
- (v) the remuneration received by him as a member of the staff of any of the officials referred to in clause (ii), clause (iii) or clause (iv), if the member—
 - (a) is a subject of the country represented;
 - (b) is not engaged in any business or profession or employment in India otherwise than as a member of such staff; and further, where the individual is a member of the staff of any official referred to in clause (iv), if the country represented has made corresponding provisions for similar exemptions in the case of members of the staff of the corresponding officials of the Government;
- (vi) the remuneration received by him as an employee of a foreign enterprise for services rendered by him during his stay in India, provided the following conditions are fulfilled—
 - (a) the foreign enterprise is not engaged in any trade or business in India;
 - (b) his stay in India does not exceed in the aggregate a period of ninety days in such previous year; and
 - (c) such remuneration is not liable to be deducted from the income of the employer chargeable under this Act.
- “(via) the remuneration received by him as an employee of, or a consultant to, an institution or association or a body established or formed outside India solely for philanthropic purposes, for services rendered by him in India in connection with such purposes: provided that such institution or association or body and the purposes for which his services are rendered in India are approved by the Central Government;”;
- (vii) the remuneration due to or received by him chargeable under the head “Salaries” for services rendered as a technician in the employment (commencing from a date before the 1st day of April, 1971) of the Government or of a local authority or of any corporation set up under any special law or in any business carried on in India, if he was not resident in any of the four financial years immediately preceding the financial year in which he arrived in India to the extent mentioned below—
 - (a) Where his contract of service is approved by the Central Government before the commencement of his service or within one year of such commencement—
 - (i) in the case of a technician, who has special knowledge and experience in industrial or business management techniques, such remuneration due to or received by him during the period of six months commencing from the date of his arrival in India;
 - (ii) in the case of any other technician, such remuneration due to or received by him during the thirty-six months commencing from the date of his arrival in India, and where any such person continues with the approval of the Central Government obtained before the 1st day of October of the relevant assessment year to remain in employment in India after the expiry of the thirty-six months aforesaid and the tax on his income chargeable under the head “Salaries” is paid by the employer to the Central Government (which tax in the case of an employer being a company may be paid notwithstanding any thing contained in section 200 of the Companies Act, 1956), the tax so paid by the employer for a period not exceeding sixty months following the expiry of the thirty-six months aforesaid;

- (b) in any other case not being the case of a technician who has special knowledge and experience in industrial or business management techniques, such remuneration due to or received by him for the period of three hundred and sixty-five days in all commencing from the date of his arrival in India.

Explanation.—For the purpose of this sub-clause, “technician” means a person having specialised knowledge and experience in

- (i) constructional or manufacturing operations, or in mining or in the generation or distribution of electricity or any other form of power, or
- (ii) industrial or business management techniques;

who is employed in India in a capacity in which such specialised knowledge and experience are actually utilised;

- (viiia) where such individual renders services as a technician in the employment (commencing from a date after the 31st day of March, 1971) of the Government or of a local authority or of any corporation set up under any special law or of any such institution or body established in India for carrying on scientific research as is approved for the purposes of this sub-clause by the prescribed authority or in any business carried on in India and the following conditions are fulfilled, namely, that—

- (1) the individual was not resident in India in any of the four financial years immediately preceding the financial year in which he arrived in India, and
 - (2) the contract of his service in India is approved by the Central Government, the application for such approval having been made to that Government before the commencement of such service or within six months of such commencement,
- the remuneration for such services due to or received by him, which is chargeable under the head “Salaries”, to the extent mentioned below, namely:—

- (A) such remuneration due to or received by him during the period of twenty-four months commencing from the date of his arrival in India, in so far as such remuneration does not exceed an amount calculated at the rate of four thousand rupees per month, and where the tax on the excess, if any, of such remuneration for the period aforesaid over the amount so calculated is paid to the Central Government by the employer (which tax, in the case of an employer, being a company, may be paid notwithstanding anything contained in section 200 of the Companies Act, 1956), also the tax so paid by the employer; and
- (B) where he continues, with the approval of the Central Government obtained before the 1st day of October of the relevant assessment year, to remain in employment in India after the expiry of the period of twenty four months aforesaid and the tax on his income chargeable under the head “Salaries” is paid to the Central Government by the employer (which tax, in the case of an employer, being a company, may be paid notwithstanding anything contained in section 200 of the Companies Act, 1956), the tax so paid by the employer for a period not exceeding twenty four months next following the expiry of the first mentioned twenty-four months :

Provided that the Central Government may, if it considers it necessary or expedient in the public interest so to do, waive the condition specified in item (i) of this sub-clause in the case, of any individual who is employed in India for designing, erection or commissioning of machinery or plant or supervising activities connected with such designing, erection or commissioning.

Explanation.—For the purpose of this sub-clause, “technician” means a person having specialised knowledge and experience in—

- (i) constructional or manufacturing operations, or in mining or in the generation of electricity or any other form of power, or
- (ii) agriculture, animal husbandry, dairy farming, deep sea fishing or building;

who is employed in India in a capacity in which such specialised knowledge and experience are actually utilised;

- (viii) any income chargeable under the head “Salaries” received by or due to any such individual being a non-resident as remuneration for services rendered in connection with his employment on a foreign ship where his total stay in India does not exceed in the aggregate a period of ninety days in the previous year.

- 10(6) (ix) any income chargeable under the head "Salaries" received by or due to him during the thirty-six months commencing from the date of his arrival in India for service rendered as a professor or other teacher in a University or other educational institution, and where any such individual continues to remain in employment in India after the expiry of the thirty-six months aforesaid and the tax on his income chargeable under the head "Salaries" is paid by the University or other educational institution concerned to the Central Government, the tax so paid for a period not exceeding twenty-four months following the expiry of the thirty-six months aforesaid, provided in either case the following conditions are fulfilled, namely:—
- (i) such individual was not resident in any of the four financial years immediately preceding the financial year in which he arrived in India; and
 - (ii) his contract of service is approved by the Central Government—
 - (a) on or before the 1st day of October, 1964, in the case of a professor or other teacher whose service commenced before the 1st day of April 1964;
 - (b) before the commencement of his service or within one year of such commencement in any other case;
- (x) any sum due to or received by him, during the twenty-four months commencing from the date of his arrival in India, for undertaking any research work in India, provided the following conditions are fulfilled, namely:—
- (a) research work is undertaken in connection with a research scheme approved in this behalf by the Central Government on or before the 1st day of October of the relevant assessment year; and
 - (b) such sum is payable or paid directly or indirectly by the Government of a foreign State or any institution or association or other body established outside India;
- (xi) the remuneration received by him as an employee of the Government of a foreign State during his stay in India in connection with his training in any establishment or office of, or in any undertaking owned by,—
- (i) the Government; or
 - (ii) any company in which the entire paid-up share capital is held by the Central Government, or any State Government or Governments, or partly by the Central Government and partly by one or more State Governments; or
 - (iii) any company which is a subsidiary of a company referred to in item (ii); or
 - (iv) any corporation established by or under a Central, State or Provincial Act; or
 - (v) any society registered under the Societies Registration Act, 1860 or under any other corresponding law for the time being in force and wholly financed by the Central Government, or any State Government or State Governments, or partly by the Central Government and partly by one or more State Governments;";
- 10(7) any allowances or perquisites paid or allowed as such outside India by the Government to a citizen of India for rendering service outside India;
- 10(8) in the case of an individual who is assigned to duties in India in connection with any co-operative technical assistance programmes and projects in accordance with an agreement entered into by the Central Government and the Government of a foreign State (the terms whereof provide for the exemption given by this clause)—
- (a) the remuneration received by him directly or indirectly from the Government of that foreign State for such duties, and
 - (b) any other income of such individual which accrues or arises outside India, and is not deemed to accrue or arise in India, in respect of which such individual is required to pay any income or social security tax to the Government of that foreign State;
- 10(9) the income of any member of the family of any such individual as is referred to in clause (8) accompanying him to India, which accrues or arises outside India, and is not deemed to accrue or arise in India, in respect of which such member is required to pay any income or social security tax, to the Government of that foreign State;
- (i) any death-cum-retirement gratuity received under the revised Pension Rules of the Central Government or, as the case may be, the Central Civil Services (Pension) Rules, 1972, or under any similar scheme applicable to the members of the civil services of the Union or holders of post connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said Rules) or to the members of the all-India services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of a local authority or any payment of retiring gratuity received under the Pension Code or Regulations applicable to the members of the defence services;

10(10) (ii) any gratuity received under the Payment of Gratuity Act, 1972, to the extent it does not exceed an amount calculated in accordance with the provisions of sub-sections (2) and (3) of section 4 of that Act;

(iii) any other gratuity received by an employee on his retirement or on his becoming incapacitated prior to such retirement or on termination of his employment, or any gratuity received by his widow, children or dependants on his death, to the extent it does not, in either case, exceed one-half months' salary for each year of completed service, calculated on the basis of the average salary for the three years immediately preceding the year in which the gratuity is paid, subject to a maximum of thirty thousand rupees or twenty months' salary so calculated whichever is less:

Provided that where any gratuities referred to in this clause are received by an employee from more than one employer in the same previous year, the aggregate amount exempt from income-tax under this clause shall not exceed *thirty thousand rupees*:

Provided further that where any such gratuity or gratuities was or were received in any one or more earlier previous years also and the whole or any part of the amount of such gratuity or gratuities was not included in the total income of the assessee of such previous year or years, the amount exempt from income-tax under this clause shall not exceed thirty thousand rupees as reduced by the amount or, as the case may be, the aggregate amount not included in the total income of any such previous year or years.

Explanation—In this clause, "Salary" shall have the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule:

10(10A) (i) any payment in commutation of pension received under the Civil Pensions (Commutation) Rules of the Central Government or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said Rules) or to the members of the all-India services or to the members of the defence services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of a local authority or a corporation established by a Central, State or Provincial Act.

(ii) any payment in commutation of pension received under any scheme of any other employer, to the extent it does not exceed—

(a) in a case where the employee receives any gratuity, the commuted value of one-third of the pension which he is normally entitled to receive, and

(b) in any other case, the commuted value of one-half of such pension, such commuted value being determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognised tables of mortality:

Provided that the maximum limit of payment specified in sub-clause (ii)(a) or sub-clause (ii)(b) shall not apply in respect of any such payment made before the 19th day of August, 1965.

10(10B) any compensation received by a workman under the Industrial Disputes Act, 1947 or under any other Act or rules, orders or notifications issued thereunder or under any standing orders or under any award, contract of service or otherwise, at the time of his retrenchment, to the extent such compensation does not exceed—

(i) an amount calculated in accordance with the provisions of clause (b) of section 25F of the Industrial Disputes Act, 1947; or

(ii) twenty thousand rupees

whichever is less.

Explanation—For the purposes of this clause—

(a) compensation received by a workman at the time of the closing down of the undertaking in which he is employed shall be deemed to be compensation received at the time of his retrenchment;

(b) compensation received by a workman, at the time of the transfer (whether by agreement or by operation of law) of the ownership or management of the undertaking in which he is employed from the employer in relation to that undertaking to a new employer, shall be deemed to be compensation received at the time of his retrenchment if—

(i) the service of the workman has been interrupted by such transfer; or

(ii) the terms and conditions of service applicable to the workman after such transfer are in any way less favourable to the workman than those applicable to him immediately before the transfer; or

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- 10(10B) (iii) the new employer is, under the terms of such transfer or otherwise, legally not liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer;
- (c) the expressions "employer" and "workman" shall have the same meanings as in the Industrial Disputes Act, 1947;
- 10(11) any payment from a provident fund to which the Provident Funds Act, 1925 applies or from any other provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette;
- 10(12) the accumulated balance due and becoming payable to an employee participating in a recognised provident fund, to the extent provided in Rule 8 of Part A of the Fourth Schedule :
- 10(13) any payment from an approved superannuation fund made—
- (i) on the death of a beneficiary; or
 - (ii) to an employee in lieu of or in commutation of an annuity on his retirement at or after a specified age or on his becoming incapacitated prior to such retirement; or
 - (iii) by way of refund of contributions on the death of a beneficiary; or
 - (iv) by way of refund of contributions to an employee on his leaving the service in connection with which the fund is established otherwise than by retirement at or after a specified age or on his becoming incapacitated prior to such retirement, to the extent to which such payment does not exceed the contributions made prior to the commencement of this Act and any interest thereon;
- 10(13A) any special allowance specifically granted to an assessee by his employer to meet expenditure actually incurred on payment of rent (*by whatever name called*) in respect of residential accommodation occupied by the assessee, to such extent (not exceeding four hundred rupees per month) as may be prescribed having regard to the area or place in which such accommodation is situate and other relevant considerations;
- 10(14) any special allowance or benefit, not being in the nature of an entertainment allowance or other perquisit within the meaning of clause (2) of section 17, specifically granted to meet expenses wholly, necessarily and exclusively incurred in the performance of the duties of an office or employment of profit, to the extent to which such expenses are actually incurred for that purpose.
- Explanation*—For the removal of doubts, it is hereby declared that any allowance granted to the assessee to meet his personal expenses at the place where the duties of his office or employment of profit are ordinarily performed by him or at the place where he ordinarily resides shall not be regarded, for the purposes of this clause, as a special allowance granted to meet expenses wholly, necessarily and exclusively incurred in the performance of such duties;
- 10(15) (i) monthly payment on the 15 Year Annuity Certificates issued by or under the authority of the Central Government or such other annuity certificates issued by or under the authority of that Government as that Government may, by notification in the Official Gazette, specify in this behalf, to the extent to which the amounts of the certificates do not exceed in each case the maximum amount which is permitted to be invested therein.
- (ia) annual payment on National Defence Gold Bonds, 1980.
 - (ii) interest on Treasury Savings Deposit Certificates, Post Office Cash Certificates, Post Office National Savings Certificates, National Plan Certificates, Twelve Year National Plan Savings Certificates and such other certificates issued by the Central Government as that Government may, by notification in the Official Gazette, specify in this behalf, interest on deposits in Post Office Savings Bank and bonus in respect of deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959, to the extent to which the amounts of such certificates or deposits do not exceed in each case the maximum amount which is permitted to be invested or deposited therein;
 - (iia) interest on fixed deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette, to the extent to which the amount of such deposits do not exceed, in each case, the maximum amount which is permitted to be deposited therein;
 - (iii) interest on securities held by the Issue Department of the Central Bank of Ceylon constituted under the Ceylon Monetary Law Act, 1949;
 - (iv) interest payable—
 - (a) by Government or a local authority on moneys borrowed by it from sources outside India;

Section
10(15)(iv)

- (b) by an industrial undertaking in India on moneys borrowed by it under a loan agreement entered into with any such financial institution in a foreign country as may be approved in this behalf by the Central Government by general or special order;
- (c) by an industrial undertaking in India on any moneys borrowed or debt incurred by it in a foreign country in respect of the purchase outside India of raw materials or capital, plant and machinery, to the extent to which such interest does not exceed the amount of interest calculated at the rate approved by the Central Government in this behalf, having regard to the terms of the loan or debt and its repayment;
- (d) by the Industrial Finance Corporation of India established by the Industrial Finance Corporation Act, 1948 or the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964, or the Industrial Credit and Investment Corporation of India (a company formed and registered under the Indian Companies Act, 1913), on any moneys borrowed by it from sources outside India, to the extent to which such interest does not exceed the amount of interest calculated at the rate approved by the Central Government in this behalf, having regard to the terms of the loan and its repayment;
- (e) by any other financial institution established in India or a banking company to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act); on any moneys borrowed by it from sources outside India under a loan agreement approved by the Central Government where the moneys are borrowed either for the purpose of advancing loans to industrial undertakings in India for purchase outside India of raw materials or capital plant and machinery or for the purpose of importing any goods which the Central Government may consider necessary to import in the public interest to the extent to which such interest does not exceed the amount of interest calculated at the rate approved by the Central Government in this behalf having regard to the terms of the loan and its repayment;
- (f) by an industrial undertaking in India on any moneys borrowed by it in foreign currency from sources outside India under a loan agreement approved by the Central Government having regard to the need for industrial development in India, to the extent to which such interest does not exceed the amount of interest calculated at the rate approved by the Central Government in this behalf, having regard to the terms of the loan and its repayment.

Explanation—For the purposes of this item, the expression “foreign currency” shall have the meaning assigned to it in the Foreign Exchange Regulation Act, 1973; :

- 10(16) scholarships granted to meet the cost of education;
- 10(17) any daily allowance received by any person by reason of his membership of Parliament or of any State Legislature or of any Committee thereof or any allowance received by a member of either House of Parliament under the Members of Parliament (Additional Facilities) Rules, 1975;
- 10(17A) any payment made, whether in cash or in kind, in pursuance of awards for literary, scientific and artistic work or attainment of, for proficiency in sports and games, instituted by the Central Government or by an State Government or approved by the Central Government in this behalf :
Provided that the approval granted by the Central Government shall have effect for such assessment year or years (including an assessment year or years commencing before the date on which such approval is granted) as may be specified in the order granting the approval;
- 10(17B) any payment made, whether in cash or in kind, as a reward by the Central Government or any State Government for such purposes as may be approved by the Central Government in this behalf in the public interest;
- 10(18) any payment made, whether in cash or in kind, by the Central Government or any State Government in pursuance of gallantry awards instituted or approved by the Central Government;
- 10(18A) any ex-gratia payments made by the Central Government consequent on the abolition of privy purse; [vide section 7 of the “Rulers of Indian States (Abolition of privileges) Act, 1972] :
- 10(19A) the annual value of any one palace in the occupation of a Ruler, being a palace, the annual value whereof was exempt from income-tax before the commencement of the Constitution (Twenty-sixth Amendment) Act, 1971, by virtue of the provisions of the merged States (Taxation Concessions) Order, 1949, or the part B States (Taxation Concessions) Order, 1950, or as the case may be, the Jammu and Kashmir (Taxation Concessions) Order, 1958;
Provided that for the assessment year commencing on the 1st day of April, 1972, the annual value of every such palace in the occupation of such Ruler during the relevant previous year shall be exempt from income-tax;

This clause shall be deemed to have been inserted with effect from 28th day of December, 1971. [Vide the “Rulers of Indian States (Abolition of Privileges) Act, 1972.];

Section

- 10(20) the income of a local authority which is chargeable under the head "Interest on securities", "Income from house property", "Capital gains" or "Income from other sources" or from a trade or business carried on by it which accrues or arises from the supply of a commodity or service (not being water or electricity) within its own jurisdictional area or from the supply of water or electricity within or outside its own jurisdictional area;
- 10(20A) any income of an authority constituted in India by or under any law enacted either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both;
- 10(21) any income of a scientific research association for the time being approved for the purpose of clause (ii) of sub-section (1) of section 35 which is applied solely to the purposes of that association;
- 10(22) any income of a University or other educational institution existing solely for educational purposes and not for purposes of profit;
- 10(22A) any income of a hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit;
- 10(23) any income of an association or institution established in India having as its object the control, supervision, regulation or encouragement in India of the games of cricket, hockey, foot-ball, tennis or such other games or sports as the Central Government may specify in this behalf from time to time by notification in the Official Gazette.
Provided that—
- the association or institution applies its income, or accumulates it for application, solely to the objects for which it is established;
 - no part of the income of the association or institution is distributed in any manner to its members except as grants to any association or institution affiliated to it; and
 - the association or institution is, for the time being, approved for the purpose of this clause by the Central Government by general or special order;
- 10(23A) Any income (other than income chargeable under the head "Interest on securities" or "Income from house property" or any income received for rendering any specific services or income by way of interest or dividend derived from its investments) of an association or institution established in India having as its object the control, supervision, regulation or encouragement of the profession of law, medicine, accountancy, engineering or architecture or such other profession as the Central Government may specify in this behalf, from time to time, by notification in the Official Gazette :
Provided that—
- the association or institution applies its income, or accumulates it for application, solely to the objects for which it is established; and
 - the association or institution is for the time being approved for the purpose of this clause by the Central Government by general or special order;
- 10(23B) any income of an institution constituted as a public charitable trust or registered under the Societies Registration Act, 1860, or under any law corresponding to that Act in force in any part of India, and existing solely for the development of khadi or village industries or both, and not for purposes of profit, to the extent such income is attributable to the business of production, sale, or marketing of khadi or products of village industries :
Provided that—
- the institution applies its income, or accumulates it for application, solely for the development of khadi or village industries or both; and
 - the institution is, for the time being, approved for the purpose of this clause by the Khadi and Village Industries Commission :
- Provided further that the Commission shall not, at any one time, grant such approval for more than three assessment years beginning with the assessment year next following the financial year in which it is granted.
- 10(23C) any income received by any person on behalf of—
- the Prime Minister's National Relief Fund; or
 - the Prime Minister's Fund (Promotion of Folk Art); or
 - the Prime Minister's Aid to Students Fund; or
 - any other fund or institution established for charitable purposes which may be notified by the

Central Government in the Official Gazette, having regard to the objects of the fund or institution and its importance throughout India or throughout any State or States; or

- 10(23C) (V) any trust (including any other legal obligation), or institution, being a trust or institution wholly for public religious purposes or wholly for public religious and charitable purposes, which may be notified by the Central Government in the Official Gazette, having regard to the manner in which the affairs of the trust or institution are administered and supervised for ensuring that the income accruing thereto is properly applied for the purposes thereof :

Provided that any notification issued by the Central Government under sub-clause (iv) or sub-clause (v) shall have effect for such assessment year or years commencing before the date on which such notification is issued as may be specified in the notification;".

Explanation—For the purposes of this clause—

- (i) "Khadi and Village Industries Commission" means the Khadi and Village Industries Commission established under the Khadi and Village Industries Commission Act, 1956;
 - (ii) "Khadi" and "Village Industries" have the meanings respectively assigned to them in that Act ;
- 10(24) any income chargeable under the head "Interest on securities", "Income from house property" and "Income from other sources" of a registered union within the meaning of the Indian Trade Unions Act, 1926, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen;
- 10(25) (i) interest on securities which are held by, or are the property of any provident fund to which the Provident Funds Act, 1925, applies, and any capital gains of the fund arising from the sale, exchange, or transfer of such securities;
- (ii) any income received by the trustees on behalf of a recognised provident fund;
 - (iii) any income received by the trustees on behalf of an approved superannuation fund;
 - (iv) any income received by the trustees on behalf of an approved gratuity fund;
- 10(26) in the case of a member of a Scheduled Tribes as defined in clause (25) of Article 366 of the Constitution, residing in any area specified in Part A or Part B of the Table appended to paragraph 20 of the Sixth Schedule to the Constitution or in the States of Nagaland, Manipur and Tripura or in the Union territories of Arunachal Pradesh and Mizoram or in the areas covered by notification No. TAD/R/35/50/109 dated the 23rd February, 1951, issued by the Governor of Assam under the proviso to sub-paragraph (3) of the said paragraph 20 [as it stood immediately before the commencement of the North-Eastern Areas (Reorganisation) Act, 1971 (18 of 1971) any income which accrues or arises to him—
- (a) from any source in the areas, States or Union territories aforesaid, or
 - (b) by way of dividend or interest on securities;
- 10(26A) any income accruing or arising to any person from any source in the district of Ladakh or outside India in any previous year relevant to any assessment year commencing before the 1st day of April, 1980, where such person is resident in the said district in that previous year:
- Provided that this clause shall not apply in the case of any such person unless he was resident in that district in previous year relevant to the assessment year commencing on the 1st day of April, 1962.

Explanation—For the purpose of this clause, a person shall be deemed to be resident in the district of Ladakh if he fulfils the requirements of sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) of section 6, as the case may be, subject to the modifications that—

- (i) reference in those sub-section to India shall be construed as references to the said district; and
- (ii) in clause (i) of sub-section (3), reference to Indian company shall be construed as reference to a company formed and registered under any law for the time being in force in the State of Jammu and Kashmir and having its registered office in that district in that year.

- 10(28) any amount adjusted or paid in respect of a tax credit certificate under the provisions of Chapter XXIIB and any scheme made thereunder;
- 10(29) in the case of an authority constituted under any law for the time being in force for the marketing of commodities, any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities;
- 10(30) in the case of an assessee who carries on the business of growing and manufacturing tea in India, the amount of any subsidy received from or through the Tea Board under any such scheme for replantation or replacement of tea bushes as the Central Government may, by notification in the Official Gazette, specify :

Provided that the assessee furnishes to the income-tax Officer, alongwith his return of income for the assessment year concerned or within such further time as the Income-tax Officer may allow, a certificate from the Tea Board as to the amount of such subsidy paid to the assessee during the previous year

Explanation—In this clause, "Tea Board" means the Tea Board established under section 4 of the Tea Act, 1953.

DEDUCTIONS ALLOWABLE FROM THE GROSS TOTAL INCOME

Chapter VIA of the Income-tax Act, 1961, containing sections 80A to 80VV deals with the various deductions to be made in computing the total income. Income-tax payers are advised to claim deductions allowable under this Chapter at the time of submitting their income-tax return for the assessment year 1978-79 and also while making estimate of income for the assessment year 1979-80

Definition of gross total income [Section 80B(5)] :

"Gross total income" means the total income computed in accordance with the provisions of this Act, before making any deduction under Chapter VIA or under section 28CO.

It may be noted that under section 80A(2) the aggregate amount of the deductions under Chapter VIA of the Income-tax Act, 1961, shall not, in any case, exceed the gross total income of the assessee.

These deductions are enumerated below—

DEDUCTION IN RESPECT OF CERTAIN PAYMENTS :

(1) Deductions in respect of life insurance premia, contribution to provident fund etc. [S. 80C] ;

Deduction in respect of—

Life insurance premiums, contributions to provident fund, deposits in 10-year or 15-year account under the Post Office Savings Bank (Cumulative Time Deposit) Rules, subscription to Public Provident Funds Scheme, 1968 and contributions made for participation in the Unit-linked Insurance Plan, 1971 of the Unit Trust of India.

Deductions permissible

Assessment year 1974-75 & 1975-76	Assessment year 1976-77 to 1978-79	Assessment year 1979-80.
Maximum limit qualifying for deduction :	Maximum limit qualifying for deduction :	Maximum limit qualifying for deduction :—
(i) <i>for individuals</i> —30% of the gross total income or Rs. 20,000 or the amount actually paid, whichever is less;	(i) <i>for individuals</i> —30% of the gross total income or Rs. 20,000 or the amount actually paid, whichever is less ;	(i) <i>for individuals</i> —30% of the gross total income or Rs.30,000 or the amount actually paid, whichever is less;
(ii) <i>For Hindu undivided families</i> —30% of the gross total income or Rs. 30,000 or the amount actually paid, whichever is less.	(ii) <i>For Hindu undivided families</i> —30% of the gross total income or Rs. 30,000 or the amount actually paid, whichever is less.	(ii) <i>For Hindu undivided families</i> —30% of the gross total income or Rs. 30,000 or the amount actually paid, whichever is less.
Amount of deduction :	Amount of deduction :	Amount of deduction :
(a) 100% of the first Rs. 2,000 of qualifying amount,	(a) 100% of the first Rs. 4,000 of qualifying amount,	(a) 100% of the first Rs. 5,000 of qualifying amount.
(b) 50% of the next Rs. 3,000 of qualifying amount,	(b) 50% of the next Rs. 6,000 of qualifying amount,	(b) 50% of the next Rs. 5,000 of qualifying amount.
(c) 40% of the balance of qualifying amount	(c) 40% of the balance of qualifying amount	(c) 40% of the balance of qualifying amount.

(2) Deduction in respect of investment in certain new shares (S. 80CC)

This section applies where—

- (1) the assessee is an Individual, or a Hindu Undivided Family, or an association of persons or body of individuals consisting only of husband and wife governed by the system of community of property in force in the union territories of Dadra and Nagar Haveli and Goa, Daman and Diu.

- (2) such person purchases any equity shares forming part of an eligible issue of capital. An eligible issue of capital means an issue of equity shares which satisfies the following conditions:

- (a) the issue is made by a public company formed and registered in India with the main object of carrying on the business of (i) construction, manufacture or production of any article or thing not being an article or thing of low priority specified in the list in the Eleventh Schedule to the Income-tax Act or (ii) providing long term finance for construction or purchase of house in India for residential purpose and such company is approved by the Central Government for this purpose
- (b) the issue is an issue of capital made by the company for the first time.
- (c) the shares forming part of the issue are offered for public subscription.
- (d) such other conditions as may be prescribed under rules framed by the Central Board of Direct Taxes.

In the case of a company which had originally been incorporated as a private company but has become a public company under the provisions of the Companies Act, 1956, an issue of equity shares made by it for the first time after it has become a public company will not be regarded as an eligible issue of capital, if—

- (i) such company had declared, distributed or paid any dividend when it was a private company, or
 - (ii) any of the shares forming part of such issue is offered for subscription at a premium.
- (3) the tax payer is required to hold these shares for a period of five years from the date of their purchase. If the taxpayer sells or otherwise transfers these shares to any person within a period of 5 years from the date of their purchases, then the deduction allowed under this section will be forfeited.

Deduction permissible

[For assessment year 1979-80 and subsequent years]

A sum equal to 50% of the cost of such shares so purchased or Rs. 5,000 which-ever is less.

Note—Where a deduction is claimed and allowed under the provisions of this section then the cost of such shares shall not be taken into account for the purposes of section 54E.

(3) Deduction in respect of medical treatment etc. of handicapped dependants [S. 80D]:

This section applies where—

- (i) expenditure is incurred by a resident individual or a Hindu undivided family out of his or its income chargeable to income-tax for the medical treatment including nursing of the 'relative' as defined in section 80B (8) of the individual or a member of the Hindu undivided family;
- (ii) such handicapped person is dependant on the assessee;
- (iii) such person is suffering from a physical or mental disability as certified by the registered medical practitioner;
- (iv) such expenditure is to be claimed in respect of only one such person as may be chosen by the assessee.

Deduction permissible

[For assessment years 1974-75 to 1979-80]

- (a) Rs. 2,400; where the handicapped dependant is admitted in a hospital or a nursing home or a medical institution or an institution for the care of handicapped persons for a period of 182 days or more;
- (b) Rs. 600; in any other case.

Note :—The amount of the above deduction, i.e., Rs. 2,400 or Rs. 600, as the case may be, is to be reduced by the income, if any, of the handicapped dependant.

(4) Deduction in respect of payment for securing retirement annuities [S. 80E] :

This section applies where—

- (i) the assessee is a citizen of India and also resident of India;
- (ii) the assessee is a partner in a registered firm rendering professional services as chartered accountant, solicitor, lawyer, architect and such other professional services as notified by the Central Government;
- (iii) the premium is paid under annuity contract out of the income chargeable to tax;
- (iv) the annuity contract is approved by the Commissioner of Income-tax; and
- (v) the unearned income included in the total income does not exceed Rs. 10,000;
- (vi) such individual is not entitled to any pension or participating in any pension or superannuation scheme;
- (vii) tax is to be deducted at source from the annuity paid during any financial year and paid over to Government.

Deduction permissible

[For assessment years 1974-75 to 1979-80]

A sum equal to the amount of premium paid under the annuity contract or 10% of the gross total income or Rs. 5,000 whichever is the least.

Note :—(1) The total amount of the deduction shall not exceed the income computed under the head, "Profits and gains of business or profession" included in the total income of the assessee [s. 80E (7)].

(2) Where a deduction under this section has been claimed and allowed for any assessment year in respect of any payment, relief shall not be given in respect of it under any other provision of the Act for the same or a later assessment year, nor the relief shall be given in respect of any other premium or consideration for an annuity under the same contract [s. 80E (10).]

(5) Deduction in respect of educational expenses in certain cases [S. 80F] :

This section applies where—

- (i) the individual is not a citizen of India ;
- (ii) the individual is resident of India ;
- (iii) the expenditure is incurred out of the income chargeable to tax for the full time education of a dependant child of not more than 21 years of age in a university, college, school or other educational institution situate in a country outside India.

Deduction permissible

[For assessment years 1974-75 to 1979-80]

- (a) Rs. 1,500 for one such child; or
- (b) Rs. 3,000 for two or more children.

(6) Deduction in respect of expenses on higher education in certain cases [S. 80FF] :

This section applies where—

- (i) the individual is a citizen of India ;
- (ii) the gross total income does not exceed Rs. 12,000 ; and
- (iii) the individual has expended any sum during the previous year out of his income chargeable to tax for the full-time education of the dependent (i.e., child, brother or sister of the individual, wholly or mainly dependent on him).

Deduction permissible

[For assessment year 1976-77 and subsequent years]

- (a) Rs. 1,000 ; in respect of each dependent undergoing a degree or post-graduate course in medicine (including surgery and obstetrics) or architecture or engineering or technology or business management.

- (b) Rs. 500; in respect of each such child undergoing a diploma course in medicine (including surgery and obstetrics) or architecture or engineering or technology, or business management or undergoing any degree or post-graduate course, other than a degree or post-graduate course referred to in clause (a) above.

Note :—Where the individual has, during the previous year, incurred expenditure on the education of more than two dependents as aforesaid, the deduction under this section shall be allowed only with reference to two such dependents as may be chosen by him.

(7) Deduction in respect of donation to certain funds, charitable institutions etc. [S. 80G] :

This section applies where—

- (i) the aggregate sum of the donations is Rs. 250 or more ;
- (ii) the qualifying amount of deductions should not exceed 10% of the gross total income (as reduced by deduction permissible under Chapter VIA) or Rs. 2,00,000 (Rs. 5,00,000; w.e.f. A.Y. 1978-79) , whichever is less except where the donations are made to National Defence Fund, J.L. Nehru Memorial Fund and Prime Minister's Drought Relief Fund ;
- (iii) the donations are made to (i) National Defence Fund, (ii) J.L. Nehru Memorial Fund, (iii) Prime Minister's Drought Relief Fund, (iv) any institution or fund established in India for charitable purpose fulfilling the prescribed conditions, (v) Government or local authority for charitable purpose other than the purpose of promoting, family planning (vi) temple, mosque, gurdwara, church or any other place as notified by the Central Government to be of historic, archaeological or artistic importance, or to be a place of public worship renown throughout any State or States, and (vii) any authority constituted for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both. [*clause (vii) inserted w. e f. A. Y. 1977-78*] (viii) the Government or to any such local authority, institution or association as may be approved in this behalf by the Central Government to be utilised for the purpose of promoting family planning.

Notes :—(1) with effect from assessment year 1976-77 no deduction u/s 80G shall be allowed in respect of donations paid in kind [*Explanation 5 to sec. 80G*].

(2) In assessment year 1977-78 and 1978-79 no deduction u/s 80G shall be allowed to a Hindu undivided family having at least one member with independent income exceeding the exemption limit [S. 80A (4)].

Deduction permissible

*For the assessment years
1972-73 to 1975-76*

*For assessment year
1976-77*

*For assessment year
1977-78 and subsequent years*

- | | | |
|--|---|---|
| <p>(a) in the case of a company, 50% of the aggregate amount of the qualifying donations;</p> <p>(b) in the case of an assessee other than a company, 55% of the aggregate amount of the qualifying donations.</p> | <p>in the case of an assessee, 50% of the aggregate amount of the qualifying donations.</p> | <p>(i) On the donations paid to the Government or approved local bodies and organisations for the purpose of promoting family planning at 100% of such qualifying amount:</p> <p>(ii) On the balance of qualifying amount of donations at 50%</p> |
|--|---|---|

(8) Deduction in respect of rents paid [S. 80 GG] :

This section applies to,—

- (1) an assessee other than an employee in receipt of house rent allowance under section 10 (13A) of the Income tax Act, 1961;
- (2) the assessee has taken on rent a residential accommodation which is not owned by him, by his spouse, minor child or by a Hindu Undivided Family of which he is a member

- (3) the assessee pays rent in excess of 10% of his total income before deduction under this section;
- (4) the residential accommodation is situated in any one of the places mentioned hereinafter, namely, Agra, Ahmedabad, Allahabad, Amritsar, Bangalore, Bombay, Calcutta, Cochin, Coimbatore, Delhi, Hyderabad, Indore, Jabalpur, Jaipur, Kanpur, Lucknow, Madras, Madurai, Nagpur, Patna, Poona, Sholapur, Srinagar, Surat, Trivandrum, Vadodara (Baroda) Varansi (Banares).

Deduction permissible

[for assessment year 1976-77 and subsequent years]

A sum equal to the rent paid in excess of 10% of the total Income before deduction under this section, or 15% of the total income before deduction under this section, or Rs. 300 per month; whichever is less.

*Note :—*In assessment year 1977-78 and 1978-79 no deduction u/s 80 GG shall be allowed to a Hindu undivided family having at least one member with independent income exceeding the exemption limit [S. 80A (4)].

DEDUCTION IN RESPECT OF CERTAIN INCOMES :

(9) Deduction in case of new industrial undertakings employing displaced persons, etc. [sec. 80H] :

This section applies to any industrial undertaking which fulfills the following conditions, namely :—

- (i) it is not formed by the splitting up or reconstruction of an existing business [sec. 80H (2) (i)] ;
- (ii) it is not formed by the transfer to a new business of building, machinery or plant previously used for any purpose [sec. 80H (2) (ii)] ;
- (iii) it has begun or begins to manufacture or produce articles in any part of India at any time within a period of three years next following the 1st day of April, 1967 [sec. 80H (2) (iii)] ;
- (iv) it employs on every working day throughout the previous year forty or more workers in a manufacturing process [sec. 80H (2) (iv)] ;
- (v) it employs displaced persons or repatriates or members of the families of displaced persons or repatriates (hereinafter referred to as rehabilitated employees) and the daily average number of such rehabilitated employees is not less than sixty per cent. of the daily average number of all persons employed in the undertaking throughout the previous year [sec. 80H (2) (v)] ;

Deduction permissible

[For assessment years 1974-75 & 1975-66]

A deduction, in computing the total income, of an amount equal to 50% of the profits and gains from such business or one lakh of rupees; whichever is the least.

The relief under this section is permissible for ten assessment years, the assessment relevant to the assessment year in which the undertaking begins to manufacture or produce articles and the nine assessment years immediately succeeding.

*Note :—*This section has been deleted with effect from assessment year 1976-77 by the Taxation Laws (Amendment) Act, 1975.

(10) Deduction in respect of profits and gains from newly established industrial undertaking or hotel business in backward areas [see. 80HH] :

This section applies to—

- (i) an industrial undertaking (other than those engaged in mining), fulfilling the following conditions, namely:—
 - (a) it has begun or begins to manufacture or produce articles after the 31st day of December, 1970 in any backward area specified in the list in the Eight Schedule to the Income-tax Act, 1961 [sec. 80HH (2) (i)] ;

- (b) it is not formed by the splitting up or reconstruction of a business already in existence in any backward area [*Sec. 80HH (2) (ii)*] ;

This condition shall not apply in respect of any industrial undertaking which is formed as a result of the re-establishment, reconstruction, or revival by the assessee of the business of any such industrial undertaking as is referred to in S. 33-B, in the circumstances and within the period specified in that section [*Proviso to S. 80HH (2) (ii)*] ;

- (c) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose in any backward area [*Sec. 80HH(2)(iii)*] ;

Where any machinery or plant or any part thereof previously used for any purpose in any backward area is transferred to a new business in that area or in any other backward area and the total value of the machinery or plant or part so transferred does not exceed 20% of the total value of the machinery or plant used in the business, then, the condition specified in this clause shall be deemed to have been fulfilled [*Explanation to S. 80HH (2)*] ;

- (d) it employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power [*Sec. 80HH (2) (iv)*] ;
- (e) in the case of an assessee other than a company or a co-operative society the accounts of the industrial undertaking for the previous year relevant to the assessment year for which the deduction is claimed are audited by a chartered accountant and the assessee furnishes alongwith his return of income, the report of such audit in the prescribed form [*Form No. 10C*] duly signed and verified by such accountant [*Sec. 80HH (5)*] .
- (ii) the business of the hotel fulfilling the following conditions, namely,—
- (a) it has started or starts functioning after the 31st day of December, 1970 in any backward area specified in the list in the Eighth Schedule [*Sec. 80HH (3) (i)*] ;
- (b) it is not formed by the splitting up, or the reconstruction of, a business already in existence [*Sec. 80HH (3) (ii)*] ,
- (c) the hotel is for the time being approved for the purposes of this section by the Central Government [*Sec. 80 HH (3) (iii)*] ;
- (d) in the case of an assessee other than a company or a co-operative society, the accounts of the business of the hotel for the previous year relevant to the assessment year for which the deduction is claimed are audited by a chartered accountant and the assessee furnishes, alongwith his return of income, the report of such audit in the prescribed form [*Form No. 10C*] duly signed and verified by such accountant [*Sec. 80HH (5)*] .

Deduction permissible

[*For assessment year 1974-75 and subsequent years*]

A deduction, in computation of the total income, of an amount equal to 20% of the profits and gains from such industrial undertaking or the business of a hotel set up in specified backward areas [*Sec. 80HH (1)*]

In the case of an industrial undertaking which begins to manufacture or produce articles after 31st March, 1973 or the business of a hotel which starts functioning after that date, the deduction will be allowed in respect of each of the ten assessment years beginning with the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or the business of a hotel starts functioning [*Sec. 80HH (4)*] .

In the case of an industrial undertaking which begin to manufacture or produce articles before 1st April, 1973 but after 31st December, 1970, or the business of a hotel which started functioning before 1st April, 1973 but after 31st December, 1970, the period for which the concession is available will, however, be reduced by the number of assessment years expiring before 1st April, 1974 [*Sec. 80HH (4)*] .

Where the assessee is entitled also to the deduction under section 80H (Relief under section 80H available till the assessment year 1975-76) the deduction under this section shall be allowed with reference to the profits and gains as reduced by the deduction under section 80H [S. 80 HH (8)]. And where the assessee is entitled also to the deduction under section 80J, effect shall first be given to the provisions of section 80 HH [Sec. 80J (3)].

Notes :— (1) In assessment year 1977-78 and 1978-79 no deduction u/s 80HH shall be allowed to a Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year exceeds the maximum amount not chargeable to tax [Sec. 80A (4)].

(2) With effect from assessment year 1978-79, where a deduction in relation to the profits and gains of a small-scale industrial undertaking to which section 80HHA applies, is claimed and allowed under that section for any assessment year, deduction in relation to such profits and gains shall not be allowed under this section for the same or any other assessment year [Sec. 80HH (9A)].

(11) Deduction in respect of profits and gains from newly established small-scale industrial undertakings in certain cases (Sec. 80 HHA).

This new section has been inserted by the Finance (No. 2) Act, 1977 and is applicable for the assessment year 1978-79 and subsequent years. This section applies to a small scale industrial undertaking other than those engaged in mining, fulfilling the following conditions, namely :

- (i) it begins to manufacture or produce articles after 30th Sept. 1977 in any rural area [Sec. 80HHA (2) (i)];
- (ii) It is not formed by the splitting up, or the reconstruction, of a business already in existence [Sec. 80 HHA (2) (ii)];

This condition shall not apply in respect of any small-scale industrial undertaking which is formed as a result of the re-establishment, re-construction or revival by the assessee of the business of any such industrial undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section [Proviso to Sec 80HHA (2)(ii)];

- (iii) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose [Sec. 80HHA (2) (iii)];

Where any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed 20% of the total value of the machinery or plant used in the business, then, the conditions specified in this clause shall be deemed to have been fulfilled [Explanation to 80HHA (2)];

- (iv) It employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power;
- (v) in the case of an assessee other than a company or co-operative society the accounts of the small-scale industrial undertaking for the assessment year relevant to the assessment year for which the deduction is claimed, are audited by a chartered accountant and the assessee furnishes, alongwith his return of income, the report of such audit in the prescribed form duly signed and verified by such accountant [Sec. 80HHH (4)];

'Rural Area' means any area other than an area (i) which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which relevant figures have been published before the first day of the previous year; or (ii) any area within such distance, not being more than 15 kilometers from the local limits of any municipality or cantonment board/referred to in item (i) above, as the Central Government may having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the official Gazette [clause (a) of the Explanation to Sec. 80HHA];

An industrial undertaking shall be deemed to be a small-scale industrial undertaking, if the aggregate value of the machinery and plant (other than tools, jigs, dies and moulds) installed, as on the last day of the previous year for the purposes of the business of the undertaking, does not exceed Rs. 10,00,000; and for this purpose the value of any machinery or plant shall be,

- (i) in the case of any machinery or plant owned by the assessee, the actual cost there to the assessee, and
- (ii) in the case of any machinery or plant hired by the assessee, the actual cost thereof as in the case of the owner of such machinery or plant [clause (b) of the Explanation to Sec. 80HHA]

Deduction permissible

(For assessment year 1978-79 and subsequent years)

A deduction, in computing the total income of the assessee, of an amount equal to 20% of the profits and gains from such small-scale industrial undertaking [Sec. 80 HHA (1)].

The above deduction shall be allowed in computing the total income in respect of each of the ten assessment year beginning with the assessment year relevant to the previous year in which the small-scale industrial undertaking begins to manufacture or produce articles [Sec. 80HHA (3)].

Where the assessee is entitled also to the deduction under section 80 J in relation to the profits and gains of a small-scale industrial undertaking to which this section applies, effect shall first be given to the provisions of this section [Sec. 80 HHA (6)]

Where a deduction in relation to the profits and gains of a small-scale industrial undertaking to which section 80HHA applies, is claimed and allowed under that section for any assessment year, deduction in relation to such profits and gains shall not be allowed under this section for the same or any other assessment year [Sec. 80 HHA (7)]

(12) Deduction in respect of profits and gains from newly established industrial undertakings or ships or hotel business in certain cases [Sec. 80J];

This section applies to—

(i) an industrial undertaking fulfilling the following conditions, namely :—

- (a) it is not formed by the splitting up or the reconstruction of a business already in existence [Sec. 80J (4) (i)] ;

However, this condition shall not apply in respect of any industrial undertaking which is rehabilitated as is referred to in section 33B in the circumstances and within the period specified in that section [Proviso to Sec. 80J (4)] ;

- (b) it is not formed by the transfer to a new business of a building (*not being a building taken on rent or lease*), machinery or plant previously used for any purpose [Sec. 80J (4) (ii)] ;

Explanation—Where any old building, machinery or plant is transferred to a new business, and the total value of the building, machinery or plant so transferred does not exceed 20% of the total value of the building, machinery or plant used in the business, then, this condition shall be deemed to have been complied with and the value of the building, machinery or plant so transferred shall not be taken into account in computing the capital employed in the industrial undertaking.

Note : (1) The italicized words have been deleted by the Finance Act, 1975 w.e.f. 1.4.1976.

(2) With effect from 1.4.1976 where any building previously used for any purpose is transferred to the business of industrial undertaking, the value of the building so transferred will not be taken into account in computing capital employed in the undertaking. However, in case where an undertaking is set up with second-hand machinery imported from abroad, provided that such machinery or plant has not been used in India previously at any time for any purpose, and no depreciation has been allowed in India on such machineries, this exemption would be available.

- (c) it manufactures or produces articles in any part of India and has begun or begins to manufacture or produce articles at any time within a period of thirty-three years from 1st April, 1948 [Sec. 80J (4) (iii)];
- (d) such industrial undertaking employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power [Sec. 80J (4) (iv)];
- (e) that the accounts of the industrial undertaking for the previous year relevant to the assessment year for which the deduction is claimed have been audited by a chartered accountant, where the assessee is a person other than a company or a co-operative society [Sec. 80J (6A)—*applicable from assessment year 1976-77*].

(ii) the business of hotel fulfilling all the following conditions, namely,—

- (a) the business of the hotel is owned and carried on by a company registered in India with a paid-up capital of not less than rupees five lakhs [Sec. 80J (6) (b)];
- (b) the business of the hotel should start functioning on or after 1st April, 1961 but before 1st April, 1981 [Sec. 80J (6) (e)];
- (c) it should not have been formed by the splitting up or the reconstruction of a business already in existence or by the transfer to the new business of—
 - (1) building previously used as a hotel, or
 - (2) machinery or plant previously used for any purpose [Sec. 80J (6) (a)];

Explanation—In case where a building previously used as a hotel premises or machinery and plant previously used for any purpose are transferred to the undertaking, the exemption would still be available provided the value of the assets so transferred does not exceed 20% of total value of the building, machinery or plant used in the business. Such transferred assets, however, will not be taken into account in computing the capital employed in the business;

- (d) the hotel is approved for the time being by the Central Government [Sec. 80J (6) (d)].

(iii) a shipping business fulfilling all the following conditions, namely,—

- (a) the ship must be owned by an Indian company and must be wholly used for the purpose of the business carried on by it [Sec. 80J (5) (i)];
- (b) it must not have been, previously to the date of its acquisition by the Indian company, owned and used in Indian territorial water by a person resident in India [Sec. 80J (5) (ii)];
- (c) it must be brought into use by the Indian company at any time on or before 31st March, 1981 [Sec. 80J (5) (iii)];

(iv) a cold storage plant—

- (1) the relief commences from the day when the cold storage plant commences to operate, that is, ready to receive articles for storage [Sec. 80J (2)];
- (2) the plant must operate in some part of India to claim the relief, at any time within a period of thirty-three years from 1st April, 1948 [Sec. 80J (4) (iii)];
- (3) that the account of the cold storage for the previous year relevant to the assessment year for which the deduction is claimed, have been audited by a chartered accountant; in case the assessee is a person other than a company or a co-operative society [Section 80J (6A)—*applicable from assessment year 1976-77*].

Deduction permissible

[For assessment year 1974-75 and subsequent years]

A deduction at the rate of 6% per annum of the capital employed in the industrial undertaking, ship or business of a hotel :

Provided that in the case of a company, the deduction will be allowed at the rate of 7.5% of the capital employed in case where the industrial undertaking begins to manufacture or produce articles or to operate its cold storage plant or plants after 31st March, 1976 or the ship is first brought into use after that date, or the business of the hotel starts functioning after that date.

The above-said deduction will be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles, or the ship is first brought into use, or the business of the hotel starts functioning, or the cold storage plant commences to operate (such assessment year hereafter referred to as the initial assessment year) and each of the four assessment years immediately succeeding the assessment year.

*Note :—*In assessment year 1977-78 and 1978-79 no deduction u/s 80J will be allowed to a Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year exceeds the maximum amount not chargeable to tax [Sec. 80A (4)].

(13) Deduction in respect of profits and gains from business of livestock breeding or poultry or dairy farming [Sec. 80JJ];

Under this section the relief is available to an assessee in respect of the profits and gains derived from a business of live-stock breeding or poultry or dairy farming

Deduction permissible

[For assessment years 1976-77 to 1979-80]

A deduction, in computing the taxable profits, of an amount equal to one-third of the profits derived from these sources or a sum of Rs. 10,000; whichever is higher.

*Note :—*Upto assessment year 1975-76 the whole of income in respect of profits and gains from business of live-stock breeding or poultry or dairy farming were wholly exempt u/s 10(27) of the Income-tax Act, 1961.

(14) Deduction in respect of dividends attributable to profits and gains from new industrial undertakings or ships or hotel business [Sec. 80K];

Section 80J gives relief to new industrial undertaking, ships or business of a hotel while section 80K gives relief to share-holders thereof. The relief is limited to so much of the dividends as is attributable to the profits and gains derived by the company from an industrial undertaking or ship or the business of hotel on which no tax is payable under section 80J.

Deduction permissible

[For assessment year 1975-75 to 1978-79]

A deduction, in computation of the total income, equal to such part of the dividend as is attributable to the profits and gains of the company on which no tax is payable by the company :

Provided that no deduction under this section will be available in respect of dividends attributable to the profits and gains derived by the company from an industrial undertakings which begins to manufacture or produce articles or to operate its cold storage plant or plants after 31st March, 1976 or from a ship brought into use after that date or from the business of a hotel which starts functioning after that date.

(15) Deduction in respect of interest on certain securities, dividends etc. [Sec. 80L];

This section provides that the income derived from any or all of the investments specified in clauses hereunder shall be entitled to deduction from the total income—

- (i) securities of the central Government or a State Government (not being interest payable u/s 280D of the Act on Annuity Deposits);
- (ii) debentures issued by any co-operative society, (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution

or authority which may be notified by the Central Government for purposes of this exemption;

Under this clause the Central Government has notified the following securities

Debenture/Bonds issued by :	Date of issue between	Notification No.
1. State Electricity Boards-	(a) 1-3-72 to 31-3-74 (b) 1-4-74 to 31-3-76 (c) 1-1-77 to 31-12-81	S. O. 308 (E)/21-4-72 S. O. 669/4-7-74 S. O. 3998/10-10-77
2. The Industrial Reconstruction Corporation of India Ltd.		
(a) 6% 10 year Bonds, 1985	1-4-75 to 31-3-77	S. O. 1798/10-4-75
(b) 6% 10-year Bonds, 1985 Second Series	1-8-75 to 31-3-77	S. O. 661/9-10-75
(c) 6% 10-year Bonds, 1985 Third Series	1-8-75 to 31-3-77	S. O. 1020/21-1-76
(d) 6% 10-year Bonds, 1986 First Series	29-3-76 to 31-3-76	S. O. 2883/21-6-76
3. Industrial Finance Corporation of India.		S. O. 400 (E) 2-6-72
4. Agro Industries Corporation	1-1-77 to 31-12-1981.	S. O. 3998/10-10-77.
5. Housing Boards (For Rural Housing)	do	do
6. Co-Operative Processing & Marketing Societies	do	do
7. Approved State Sponsored Institutions.	do	do

(iii) deposits under any scheme framed by the Central Government and notified for this purpose;

Under this clause the Central Government has notified the following deposit :

- (a) 5-year recurring deposits in post offices bearing interest at 9.25% per annum;
- (b) 1-year, 2-year, 3-year, 4-year, time deposits in post office bearing interest at 8%, 8.5%, 9% and 10% respectively;
- (c) 7-year national savings certificates (IV Issue) bearing interest at 10.25%;
- (d) 7-year national savings certificates (V Issue) bearing interest at 10.25%;
- (e) National Savings Annuity certificates bearing interest at 10.25%.

(iv) shares in Indian companies;

(v) units in the Unit Trust of India;

(vi) deposits with banking companies to which the Banking Regulation Act, 1949 applies, co-operative banks, land mortgage banks and land development banks;

(vii) deposits with financial corporations which are engaged in providing long-term finance for industrial development in India and are approved by the Central Government;

(viii) deposits with any authority constituted in India by or under any law enacted either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development, or improvement of cities, towns and villages, or for both [Inserted from the assessment year 1976-77];

- (viii) deposits with a co-operative society not being a co-operative society referred to in clause (vi) made by a member of the society;
- (ix) shares in co-operative society.

Note :—1. Relief under this section is available to an individual, a Hindu undivided family, an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu. In assessment year 1977-78 and 1978-79 no deduction under section 80L will be allowed to a Hindu undivided family which during the previous year has at least one member whose total income of the previous year exceeds the maximum amount not chargeable to tax [Sec. 80A(4)].

2. The Government has provided a further deduction of Rs. 2,000 (with effect from assessment year 1975-76) in respect of income from unit trust under Unit Trust of India Act, in addition to deduction of Rs. 3,000 allowable under section 80 L of the Income-tax Act; 1961.

Deduction permissible

[For assessment year 1974-75 to 1979-80]

Deduction, in computing the total income, as specified hereinbelow :—

- (a) in case where the amount of such income does not exceed Rs. 3,000; the whole of such amount, and
- (b) in any other case; Rs. 3,000.

Where the dividend income is entitled to the deduction under section 80K, then, the permissible deduction under this section shall be subject to the prior deduction under section 80K [Sec. 80L (2)].

(16) Deduction in respect of certain inter-corporate dividends [Sec. 80M.]:

REFER CHAPTER "TAXATION OF COMPANIES"

(17) Deduction in respect of royalties etc. received from a concern in India [S. 80MM(1)]:

- (1) This deduction is available to an assessee being an Indian company or a person other than a company who is resident in India [S. 80MM (1)];

Note :—With effect from assessment year 1975-76 this relief shall not be available to a person other than a company.

- (2) the relief is in respect of pure income receipts, such as, royalty, commission, fees, etc. but not in respect of capital gains or incomes eligible for a deduction under section 80 O [S. 80 MM (1) read with S. 80 MM (3)];
- (3) such payments should be received as consideration for the provision of or for rendering service in connection with the provisions of such technical know-how [Sec. 80 MM (1) (i)&(ii)];
- (4) such payments should be received under an agreement entered into between the assessee and such person on or after 1.4.1969 for which approval of the Central Government (after 1.4.1972 approval of the Board) is sought for and the application for approval is made before the 1st October of the relevant assessment year [S. 80 MM (1) read with proviso];
- (5) that the accounts of the assessee other than a company or a co-operative society are audited by a chartered accountant or an accountant qualified to audit the accounts of the company and the audit report containing prescribed particulars is furnished alongwith return of income. This clause is omitted w.e.f. A. Y. 1975-76 [S. 80 MM (2A)].

Deduction permissible

[For assessment year 1974-75]

A deduction, in computation of the total income, of an amount equal to 40% of the income by way of royalty, commission, fees, etc.

Note :—With effect from assessment year 1975-76 no deduction will be available to a person other than a company.

(18) Deduction in respect of dividends received from certain foreign companies [Sec. 80N]:

- (1) the assessee is either an Indian company or a person other than a company who is resident in India;

Note :—With effect from assessment year 1975-76 this relief is not available to a person other than an Indian company.

- (2) the income received by way of dividends is from a foreign company;
- (3) the dividend income is received in, or brought into, India by the assessee or on his behalf in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange;
- (4) the allotment of shares by foreign company is in consideration of any patent, invention, model, design, secret formula or process or similar property, right or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided to the foreign company or in consideration of technical services rendered or agreed to be rendered to the foreign company;
- (5) the agreement is approved by the Central Government/Board.

Deduction permissible

[For assessment years 1972-73 to 1974-75]

A deduction, in computation of the total income, of the whole of the income so received or brought into India.

(19) Deduction, in respect of royalties etc. received from certain foreign enterprises *[Sec. 80 O]:*

- (1) the assessee is either an Indian company or a person other than a company who is resident in India;

Note :—With effect from assessment year 1975-76 this relief shall not be available to a person other than an Indian company.

- (2) the income received by way of royalty, commission, fees, etc. is from a foreign company [for the assessment year 1972-73 and onwards, either from a foreign Government or from a foreign enterprise, whether or not such foreign enterprise is organised as a company] in consideration for the use outside India of any patent, invention, model, design, secret formula or process made available or provided to such foreign company [for the assessment year 1972-73 and onwards, foreign Government or foreign enterprise];
- (3) such income is received in, or brought into, India by the assessee or on his behalf in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange;
- (4) the agreement is approved by the Board;
- (5) that the accounts of the assessee other than a company or a co-operative society are audited by a chartered accountant or an accountant qualified to audit the accounts of the company and the audit report containing prescribed particulars is furnished alongwith the return of income [S. 80 O (2)]. This clause is omitted w.e.f. assessment year 1975-76.

Deduction permissible

[For assessment year 1974-75]

A deduction, in computation of the total income, of the whole of the income so received or brought into India.

Note :—With effect from assessment year 1975-76 no deduction shall be available to a person other than an Indian company.

(20) Deduction in respect of co-operative societies *[Sec. 80N].*

REFER CHAPTER "INCOME-TAX ON CO-OPERATIVE SOCIETIES"

(21) Deduction in respect of profits and gains from the business of Publication of books *[Sec. 80QQ];*

Under this section the relief is available to an assessee in respect of the profits and gains derived from a business carried on in India of printing and publication, or publication of books *[Sec. 80QQ (1)]*.

The word "book" does not include newspapers, journals, magazines, diaries, brochures, tracts, pamphlets and other publications of a similar nature, by whatever name called [Sec. 80QQ (3)].

Deduction permissible

[For assessment years 1974-75 to 1979-80]

A deduction, in computation of the total income, of an amount equal to 20% of the profits and gains from the printing and publication of books or publication of books.

In a case where the assessee is entitled also to the deduction under sections 80H, 80HH, 80HHA, 80J and 80P, the deduction under this section will be allowed on such publication income as reduced by the deductions allowable under sections 80H, 80HH, 80HHA, 80J and 80P.

*Note :—*In assessment years 1977-78 and 1978-79 no deduction under this section shall be available to a Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year exceeds the maximum amount not chargeable to tax [sec. 80A (4)].

(22) Deduction in respect of remuneration from certain foreign sources in the case of professors, teachers, etc. [Sec. 80R] :

REFER CHAPTER "INCOME FROM SALARIES".

(23) Deduction in respect of professional income from foreign sources in certain cases [Sec. 80RR] :

This section applies where—

- (i) the assessee is a resident in India;
- (ii) the assessee is either an author, playwright, artist, musician or actor;
- (iii) the income derived by him is in exercise of a profession as stated in clause (ii);
- (iv) the income is received either from the Government of a foreign State or any person not resident in India;
- (v) the income so received or brought into India must be in accordance with the Foreign Exchange Regulation Act, 1947.

Deduction permissible

[For assessment years 1974-75 to 1979-80]

A deduction, in computing the total income, of a sum equal to 25% of such income included in the gross total income.

(24) Deduction in respect of remuneration from foreign employers [Sec. 80RR A] :

REFER CHAPTER "INCOME FROM SALARIES".

(25) Deduction in respect of compensation for termination of Managing Agency [Sec. 80S] :

This section applies where—

- (i) the assessee is other than a company;
- (ii) the compensation or payment is either chargeable as the profit and gains of business or profession in accordance with the provisions of clause (ii) of section 28 of the Act.

Deduction permissible

[For assessment years 1974-75 to 1979-80]

A deduction, in computing the total income, of a sum equal to 25% of such income or Rs. 1,00,000; whichever is less.

(26) Deduction in respect of long-term capital gains in the case of assesseees other than companies [Sec. 80T] :

REFER CHAPTER ON "CAPITAL GAINS".

(27) Deduction in respect of winning from lottery [Sec. 80TT];

This section applies where the assessee is other than a company.

Deduction permissible

[For assessment years 1974-75 to 1979-80]

- (i) Where the gross total income does not exceed Rs. 10,000 or where the winnings do not exceed Rs. 5,000—the whole of such winnings;
- (ii) in any other case a sum equal to Rs. 5,000 as increased by a sum equal to 50% of the amount by which the winning exceeds Rs. 5000.

OTHER DEDUCTIONS:**(28) Deduction in the case of totally blind or physically handicapped resident person [Sec. 80U];**

This section applies where—

- (i) the assessee is resident individual;
- (ii) such individual is totally blind or is subject to or suffers from a permanent physical disability (other than blindness) which has the effect of reducing substantially his capacity to engage in a gainful employment or occupation;
- (iii) such individual produces a certificate as to his total blindness from a registered medical practitioner being oculist or a certificate from a registered medical practitioner as to the permanent physical disability.

Deduction permissible

[For the assessment years 1974-75 to 1979-80]

A deduction equal to Rs. 5,000, in computing the total income of such person.

(29) Deduction of interest on moneys borrowed to pay taxes [Sec. 80V] :

Under this section the relief is available to an assessee in respect of interest paid by him in the previous year on any money borrowed for the payment of any tax due from him under this Act.

Deduction permissible

[For assessment year 1976-77 and subsequent years]

A deduction, in computation of total income, equivalent to the amount of interest paid on any money borrowed for the payment of any tax due under the income-tax Act.

Note :—Prior to A. Y. 1976-77 no deduction in respect of interest paid on any money borrowed for payment of tax under this Act was allowable.

(30) Deduction in respect of expenses incurred in connection with any proceedings before any Income-tax authority or the Appellate Tribunal [Sec. 80VV];

Under this section the relief is available in respect of any expenditure incurred by the assessee in the previous year in respect of any proceedings before any Income-tax authority or the Appellate Tribunal or any court relating to the determination of any liability under this Act, by way of tax, penalty or interest.

Deduction permissible

[For assessment year 1976-77 and subsequent years]

A sum equal to the amount incurred on such proceedings or Rs. 5,000; whichever is less, shall be allowed in computing the taxable income.

Note - Prior to assessment year 1976-77 the full amount incurred on an income-tax proceeding was allowable as business expenditure.

DEDUCTION IN RESPECT OF LIFE INSURANCE PREMIUM, PROVIDENT FUND etc. [sec. 80C] :

Section 80C of the Income-tax Act, 1961 provides tax relief by way of deduction of specified percentage in respect of the following sums paid in the previous year by the assessee out of his income chargeable to income-tax:—

- (i) premiums paid in order to effect or to keep in force an insurance, in the case of an individual on the life of the assessee or on the life of spouse or any child of the assessee, and in the case of a Hindu undivided family on the life of any member subject to 10% of the capital sum assured for each policy;
- (ii) any sum paid not exceeding 1/5th of the salary in order to effect or to keep in force a contract for a deferred annuity on the life of the assessee or on the life of the spouse or any child of the assessee :
Provided that such contract does not contain a provision for the exercise by the insured of an option to receive a cash payment in lieu of payment of the annuity;
- (iii) contributions to recognised provident fund not exceeding 20% of the salary or Rs. 10,000; whichever is less (prior to A. Y. 1977-78 the maximum limit of provident fund contribution was Rs. 8,000) For this purpose 'salary' includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites (Rule 2 (h) of part A of Fourth Schedule);
- (iv) subscriptions to Public Provident Fund Scheme, 1968;
Under this scheme, subscriptions may be of any amount (not less than Rs. 100 and not more than Rs. 20,000) at the choice of the individual. The subscriber can withdraw 50% of the amount at his credit after five years from the date of initial subscription. Subscriptions to the fund may be made on any day and of any amount within the limits as stated above subject to a maximum of twelve subscriptions, i. e., once in each calendar month;
- (v) deposits in a ten-year or fifteen-year account under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959;
Under this scheme, an individual only can make deposit out of his income chargeable to tax, subject to a maximum of Rs. 500 per month in one account.
- (vi) contribution for participating in the Unit-linked Insurance Plan, 1971 of the Unit Trust of India.

Maximum limit qualifying for deduction :

The maximum limit qualifying for deduction in respect of the aggregate of the above sums—

- (a) (i) 40% (33.3% prior to assessment year 1977-78) of the income, from profession of an author, playwright, artist, musician or actor, if any, and
(ii) 30% of the remaining part of the gross total income;
or
- (b) (i) in the case of an individual being an author, playwright, artist, musician or actor: Rs. 50,000 (Rs. 25,000 prior to assessment year 1977-78)
(ii) in the case of other individual; Rs. 20,000. (Rs. 30,000/- from assessment year 1979-80)
(iii) in the case of a Hindu undivided family; Rs. 30,000;
or
- (c) the amounts actually paid;
whichever is less.

Amount of deduction :

The percentage of deduction in respect of above-said qualifying amount:—

	Assessment year 1974-75 & 1975-76	Assessment year 1976-77 to 1978-79	Assessment year 1979-80
(a) On the first of Rs. 2,000/- of qualifying amount	100%	100%	100%
(b) On the next of Rs. 2,000/-	50%	100%	100%
(c) On the next of Rs. 1,000/-	50%	50%	100%
(d) On the next of Rs. 5,000/-	40%	50%	50%
(e) On the balance	40%	40%	40%

Example—1. An individual has the gross total income of Rs. 20,000. He pays Rs. 2,500 on a life policy for which the capital sum assured is Rs. 20,000. Compute his taxable income for assessment year 1978-79,

Solution :

Computation of taxable income

Income from business	Rs. 20,000
<i>*Less—</i> Allowable deduction for L.I.P.	
—on the first of Rs. 2,000 @ 100%	Rs. 2,000
Taxable income	Rs. 18,000

**As the premium paid is in excess of ten per cent. of the capital sum assured, the qualifying amount is restricted to 10% of Rs. 20,000, i.e., Rs. 2,000 and the excess has been ignored.*

Example—2. An individual has the gross total income of Rs. 30,000. He pays Rs. 10,000 towards life insurance premium and public provident fund scheme. Compute his taxable income for assessment year 1978-79.

Solution.

Computation of taxable income

Income from business		Rs. 30,000
<i>*Less—</i> Allowable deduction for L.I.P.		
—on the first of Rs. 4,000	@ 100%	Rs. 4,000
—on the balance Rs. 5,000	@ 50%	Rs. 2,500
Taxable income		Rs. 23,500

**The qualifying amount is Rs. 9,000 i.e., restricted to 30% of the total income.*

COMPULSORY DEPOSIT SCHEME FOR INCOME-TAX PAYERS

The Compulsory Deposit Scheme (Income-tax Payers) Act 1974 (Act No. 3 of 1974) has come into force with effect from the 17th July, 1974. It provides for compulsory deposits by certain categories of income-tax payers in the higher income brackets. At the outset compulsory deposits were required to be made for the assessment years 1975-76 and 1976-77 but the amendment to sub-section (1) of section 3 of the Act, introduced by the Finance Act, 1976 has extended the requirement of making compulsory deposits for the assessment year 1977-78 as well. The Finance (No. 2) Act, 1977 has further extended it for the assessment year 1978-79 and 1979-80

Persons liable to make compulsory deposit [sec 3 (2)]:

Under section 3(2) of the Act, the following categories of persons are liable to make compulsory deposit if their current income exceeds Rs. 15,000 during the year.

- (i) individuals who are citizens of India (and are 70 years of age or below-effective from 1st September, 1977)
- (ii) Hindu undivided families;
- (iii) trustees of discretionary trusts [that is to say, trustees appointed under a trust declared by a duly executed instrument in writing whether testamentary or otherwise (including any Wakf which is valid under the Mussalman Wakf Validating Act, 1913), if the income in respect of which they are liable to income-tax as representative assessee or any part thereof is not specifically receivable on behalf or for the benefit of any one person or where the individual shares of the persons on whose behalf or for whose benefit such income or such part thereof is receivable are indeterminate or unknown]; and
- (iv) persons who are assessable under the income-tax Act in respect of the total income of individuals, Hindu undivided families or trustees referred to in (i), (ii) or (iii) above.

It will thus be seen that companies, partnership firms, associations of persons, bodies of individuals and artificial juridical persons are outside the purview of the scheme and do not have to make compulsory deposits except in cases where they are chargeable to income-tax as representative assessee on behalf of individuals, Hindu undivided families or trustees of discretionary trusts.

Basis for making compulsory deposits [sec 4(3)]:

The liability to make compulsory deposits, in relation to an assessment year, will arise only in cases where the "current income" of the person liable to make compulsory deposit exceeds Rs. 15,000. The expression "current income" means—

- (a) in the case of a person required to pay advance tax under the Income-tax Act during the financial year immediately preceding the relevant assessment year, the aggregate of the total income [exclusive of capital gains and income by way of winnings from lotteries, crossword puzzles, races, card games, gambling, betting etc., as referred to in section 2(24)(ix) of the income-tax Act] and the net agricultural income which forms the basis of computation of advance tax payable by him during that financial year;
- (b) in the case of any other person (e. g. person having income chargeable to tax only under the head "Salaries"; or who have not furnished the estimate of advance tax the aggregate of the total income [exclusive of capital gains and income by way of winnings from lotteries, crossword puzzles, races, card games, gambling, betting etc., as referred to in section 2(24)(ix) of the income-tax Act] of the previous year for the relevant assessment year and the net agricultural income as estimated by him of that previous year.

For this purpose, the "total income" of the depositor will be computed in accordance with the provisions of the Income-tax Act, after taking into account the various exemptions and deductions allowed under the law (including the deduction allowable with reference to qualified savings through specified media, e. g., contributions to provident funds, payments towards life insurance premia). Similarly, the "net agricultural income" will be computed after allowing deduction in respect of expenses, etc., as provided in the rules for the computation of such income contained in the Finance Act of the relevant year.

Time and manner for making compulsory deposit [sec. 5] :

In the case of income-tax payers who are liable to pay advance tax, compulsory deposits are required to be made by them voluntarily before the expiry of the date on which the last instalment of advance tax is payable by them under section 211 or, as the case may be, under sub-section (3A) of section 212 of the income-tax Act.

Therefore, the compulsory deposit in the generality of cases, will fall due on the 15th December or the 15th March of the financial year immediately preceding the relevant assessment year according as the date for payment of the last instalment of advance tax falls on the 15th December or the 15th March. However, in a case where the Commissioner has, under the proviso to section 212(3A) of the Income-tax Act, extended the date for furnishing the estimate of advance tax, the compulsory deposit will be required to be made voluntarily before the date as so extended even though such date may fall after the end of the financial year immediately preceding the relevant assessment year. In respect of deposits required to be made on the 15th December, 1974 the Government had extended the time till the 31st January, 1975.

In the case of a person who is not liable to pay advance tax, the compulsory deposit will be made voluntarily before the end of the financial year immediately preceding the relevant assessment year.

The depositors will, in cases referred to above where the compulsory deposits are required to be made voluntarily, have the choice of making the deposits either in one lump sum on or before the due date or in quarterly instalments so however that not more than one payment will be made in one quarter, namely, April to June, July to September, October to December, and January to March.

Compulsory deposits are accepted by all branches and offices of the Reserve Bank of India, the State Bank of India and its subsidiaries, as also all nationalised banks. The person desirous of making a compulsory deposit will have to make an application to the deposit office in Form A. The deposit office will issue a pass book to each depositor in which the deposits made by him or recovered from him from time to time will be credited. The deposit office will also issue a receipt in Form B in respect of each individual deposit made by the depositor which should be submitted to the Income-tax Officer alongwith the return of income. The depositor may appoint nominee by filing an application with the deposit office in Form F. For cancellation of nomination, an application is to be submitted in Form G.

Order by the Income-tax Officer for compulsory deposits in certain cases [sec. 6] :

In case where a person has neither received advance tax notice nor furnished the estimate of his income or statement of advance tax and has failed to make the compulsory deposit on or before 31st March of the relevant year on the basis of his estimated income, the Income-tax Officer can pass an order and call upon such person to make the compulsory deposit on the basis of his "correct income" of the relevant financial year. "Correct income" means the total income (including agricultural income) as returned by such person after making adjustments; or, where no return has been furnished, the total income (including agricultural income) determined on best judgement assessment u/s 144 of the Income-tax Act after making adjustments.

It will be noticed that if the assessee has made some token deposit for the relevant assessment year before the 31st day of March, the income-tax Officer cannot pass an order under section 6. There is no time limit prescribed for passing an order under this section and also no appeal lies against it.

The notice by the Income-tax Officer requiring the person concerned to make the compulsory deposit will be issued in Form 'D', and the deposits will be made within thirty-five days of the receipt of the notice of demand [sec. 6 read with sec. 14 of the Act and paragraph 8 of the scheme].

Deduction permissible from the amount of compulsory deposits [sec 4(2)] :

Section 4(2) provides that in computing the amount of compulsory deposit required to be made by a person for any assessment year under this Act, the deposits made by him under the Additional Emoluments (Compulsory Deposit) Act, 1974 during the financial year immediately preceding that assessment year will be deducted.

It may be mentioned that the amount deducted under the Additional Emoluments (Compulsory Deposit) Act, 1974 is not included in the total income of the tax-payer for the previous year in which the deduction is made, while the amount of the compulsory deposits made under the Act is not allowed as deduction in computing the taxable income.

Repayment of compulsory deposits [sec. 8] :

The amount of compulsory deposit made by or recovered from a depositor in any financial year will be repayable in five equal instalments commencing from the expiry of two years from the end of the financial year in which the deposit was made or recovered. Interest on these deposits upto the due date of each instalment will be paid alongwith the instalment. For obtaining repayment the depositor will be required to make an application to the deposit office in Form E and produce the pass book issued to him. The Income-tax Officer has been empowered to permit earlier repayment of the deposit or any instalment thereof together with interest due

thereon in cases of extreme hardship. Where the Income-tax Officer authorises premature repayment, he will issue an order in writing and send an advice in respect thereof to the deposit office. The deposit office, will, on the production of the Income-tax Officer's order by the depositor and receipt of the advice from the Income-tax Officer, make repayment immediately.

Refund of compulsory deposit in case of erroneous deposit.

The Government has issued a circular No. 180A[F. No. 225/81/75-IT(All)], dated 24-10-1975 which had provided for refund of compulsory deposit amount in the cases mentioned hereinafter. If any person erroneously either because the person depositing the money is not liable to do so in terms of section 3(2) of the Act, or the person is one whose current income does not exceed the limit of Rs. 15,000 during the financial year, or though his current income was above Rs. 15,100, by virtue of section 4(2) of the Act he was not liable to make any deposit such person can submit an application in duplicate to the deposit office where the amount stands indicating the details of the deposit, viz., amount and date of deposit, account number allotted by the deposit office and reasons for seeking the refund and evidence in support of the income. The application should be accompanied by the original receipt granted by the deposit office in form B and the pass book.

The deposit officers are required to verify the particulars of the deposit/deposits from its records and also such other evidence which may be submitted alongwith the application in support of the claim, and thereafter, after due verification, the refund may be allowed by them together with interest thereon at the prevailing Post office Bank rate, currently at 5% per annum.

While framing assessment, the Income-tax Officers were directed to scrutinise the refund claim made by the depositors to the deposit office with a view to ensure that the refund has been correctly claimed and allowed in case, a wrong claim has been entertained by the deposit office, the income-tax Officers are directed to take appropriate penal action wherever necessary in accordance with the provisions of the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974 and the Scheme framed thereunder.

Penalty for failure to make compulsory deposits [sec. 10] :

Section 10 provides for levy of penalty in case of delay or default in making compulsory deposits.

In the case of a person required to pay advance tax during the financial year immediately preceding the relevant assessment year, penalty will be exigible if compulsory deposit is not made voluntarily before the expiry of the date on which the last instalment of advance tax is payable or the deposit made before such date falls short of the requisite amount. In case of failure to make compulsory deposit within the time allowed, the penalty imposable will be equal to 25% of the compulsory deposit required to be made. If the compulsory deposit made within the time allowed falls short of the requisite amount, the penalty will be equal to 25% of the amount of short fall [S. 10(1)].

In the case of any person who is not required to pay advance tax under the Income-tax Act, penalty will be imposed if compulsory deposit is not made voluntarily before the end of the financial year immediately preceding the relevant assessment year or the deposit made within the time allowed falls short of 75% of the compulsory deposits required to be made on the basis of the depositor's "correct income". Where no compulsory deposit is made within the time allowed the penalty imposable will be equal to 25% of the compulsory deposit calculated with reference to the "correct income." If the compulsory deposit made within the time allowed falls short of 75% of the compulsory deposit required to be made, the penalty will be equal to 25% of the amount by which the compulsory deposit actually made falls short of the compulsory deposit calculated with reference to the correct income [S. 10 (2)]

It should be noted that the Income-tax Officer is bound to levy a penalty in case of delay or default in making a compulsory deposit and the quantum of penalty leviable is also fixed under the statute. The Income-tax Officer has no discretion to waive the penalty or to impose a higher or lower penalty.

Section 10(3) provides that no penalty will be imposed unless the person concerned has been heard or has been given a reasonable opportunity of being heard.

The provisions of the Income-tax Act relating to appeals, reference and revision apply in respect of penalty orders passed by the Income-tax Officer under section 10. The authorities are also given powers by section 13 to rectify any mistake apparent from the record but there is no provision for appeals against the rectification order passed by any such authority.

The amount of penalty payable under the Act will be rounded off to the nearest rupee [s. 15].

Miscellaneous provisions :

- (a) Compulsory deposits will carry simple interest at a rate equal to the maximum bank deposit rate [s. 7(1)].
- (b) Interest received on compulsory deposits will be treated as interest received on deposit with a banking company and accordingly will qualify for inclusion in the categories of income which are exempt from income-tax upto Rs. 3,000 under section 80L of the Income-tax Act [s. 7(3)].
- (c) The amount of "current income", "correct income", and "compulsory deposits" will be rounded off to the nearest multiple of ten rupees [s. 15].
- (d) The amount of compulsory deposit and interest thereon will not be liable to attachment under a decree of any court [s. 17].
- (e) Where the depositors fail to make the compulsory deposit voluntarily within the time allowed under section 5 or fail to make the deposit or pay the penalty as required by a notice of demand, the depositors will be deemed to be in default [s. 14 (3)]. The provisions of Chapter XVIII of the Income-tax Act relating to recovery of arrears of tax will apply in relation to recovery of compulsory deposit or penalty under the Act in the same manner as they apply in relation to recovery of tax [s. 14 (4)].
- (f) There is no obligation on the employers to deduct the amount of compulsory deposit which the employee is required to make from his salary.
- (g) There is no need to make any compulsory deposit by persons, who were more than 70 year of age on 1st day of the financial year immediately preceding the assessment year for which compulsory deposit is required to be made.

RATES OF COMPULSORY DEPOSIT

Current income	Assessment years 1975-76 & 1976-77	Assessment year 1977-78 and 1978-79	Assessment year 1979-80
(1) Where the current income exceeds Rs. 15,000 but does not exceed Rs. 25,000	4% of the current income;	4% of the current income	4.50% of the current income
(2) Where the current income exceeds Rs. 25,000 but does not exceed Rs. 35,000;	Rs. 1,000 plus 6% of the amount by which the current income exceeds Rs. 25,000;	Rs. 1,000 plus 10% of the amount by which the current income exceeds Rs. 25,000;	Rs. 1,125 plus 11% of the amount by which the current income exceeds Rs. 25,000
(3) Where the current income exceeds Rs. 35,000 but does not exceed Rs. 70,000;	Rs. 1,600 plus 6% of the amount by which the current income exceeds Rs. 35,000;	Rs. 2,000 plus 10% of the amount by which the current income exceeds Rs. 35,000;	Rs. 2,225 plus 12.5% of the amount by which the current income exceeds Rs. 35,000
(4) Where the current income exceeds Rs. 70,000	Rs. 3,700 plus 8% of the amount by which the current income exceeds Rs. 70,000;	Rs. 5,500 plus 12% of the amount by which the current income exceeds Rs. 70,000	Rs. 6,600 plus 15% of the amount by which the current income exceeds Rs. 70,000

Provided that where the current income exceeds Rs. 15,000 but does not exceed Rs. 15,620 (Rs. 15,710 in A.Y. 1979-80) the compulsory deposit shall in no case exceed the amount by which the current income exceeds Rs. 15,000;

Provided further that where in the case of any depositor the amount of compulsory deposit calculated in accordance with the foregoing provisions is less than Rs. 100, it shall not be necessary for him to make such deposit.

Example :

Mr. Z has the following income. He has paid Rs. 2,000 as life insurance premium. Compute his current income and the amount of compulsory deposit required to be made by him for the assessment year 1979-80.

Salary income (taxable)	Rs. 20,000
Property income (taxable)	Rs. 5,000
Business income	Rs. 25,000
Short-term capital gains	Rs. 5,000
Long-term capital gains	Rs. 5,000
Dividend income	Rs. 4,000
Winning from lotteries	Rs. 4,000
Winning from races	Rs. 10,000
Agricultural income	

Solution :**Computation of current income**

Income from salary		Rs. 20,000
Income from property		Rs. 5,000
Income from business		Rs. 25,000
Capital gains :		
—Short-term	Rs. 5,000	
—Long-term	Rs. 5,000	Rs. 10,000
Income from other sources :		
—Dividend	Rs. 5,000	
—Winning from lotteries	Rs. 4,000	
—Winning from races	Rs. 3,000	Rs. 12,000
(Rs. 4,000—Rs. 1,000)		
Gross total income		Rs. 72,000
Less—Deductions :		
—L. I. P. [s. 80C]	Rs. 2,000	
—Dividend [s. 90L]	Rs. 3,000	
—Long-term capital gains [s. 80 T]	Rs. 5,000	
—Winning from lotteries [s. 80TT]	Rs. 4,000	Rs. 14,000
Taxable income		Rs. 58,000
Add—Agricultural income		Rs. 10,000
		Rs. 68,000

Deduct—Capital gains

(Rs. 10,000—Rs. 5,000)	Rs. 5,000	
—Winning from lotteries		
(Rs. 4,000—Rs. 4,000)	Nil	
—Winning from races	Rs. 3,000	Rs. 8,000
Current income		Rs. 60,000

Compulsory deposit

—On the first Rs. 25,000 @ 4.50%	Rs. 1,125
—On the next Rs. 10,000 @ 11%	Rs. 1,100
—On the next Rs. 25,000 @ 12.5%	Rs. 3,125
Compulsory deposit required to be made	Rs. 5,350

TAXATION OF NON-AGRICULTURAL INCOME WITH AGRICULTURAL INCOME

AGRICULTURAL INCOME—defined :

Under section 2(1) of the Income-tax Act, "*agricultural income*" means—

- (a) any rent or revenue derived from land which is situated in India and is used for agricultural purposes;
- (b) any income derived from such land by;
 - (i) agriculture; or
 - (ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market; or
 - (iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, in respect of which no process has been performed other than a process of the nature described in paragraph (ii) of this sub-clause;
- (c) any income derived from any building owned and occupied by the receiver of the rent or revenue or any such land, or occupied by the cultivator or the receiver of rent-in-kind, of any land with respect to which, or the produce of which, any process mentioned in paragraph (ii) and (iii) of sub-clause (b) is carried on:

Provided that—

- (i) the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue or the cultivator, or the receiver of rent-in-kind, by reason of his connection with the land, requires as a dwelling house, or as a store house, or other out-building, and
- (ii) the land is either assessed to land revenue in India or is subject to a local rate assessed and collected by officers of the Government as such or where the land is not so assessed to land revenue or subject to a local rate, it is not situated—
 - (A) in any area which is comprised within the jurisdiction of a municipality (*whether known as a municipality, municipal corporation, notified area Committee, town area committee, town committee or by any other name*) or a cantonment board and which has a population of not less than ten thousands according to the last preceding census of which the relevant figures have been published before the first day of the previous year; or
 - (B) in any area within such distance, not being more than eight kilometers, from the local limits of any municipality or cantonment board referred to in item (A), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations; specify in this behalf by notification in the Official Gazette;

AGRICULTURAL INCOME IN CASE OF TEA GARDEN :

Where a tax-payer derives income from the business of sale of tea grown or manufactured by him in India, 60% of the income from such business as computed in accordance with rule 8 of the Income tax Rules, 1962 will be regarded as agricultural income of the tax-payer (*Rule 4 of Part IV of First Schedule the Finance Act*)

NET AGRICULTURAL INCOME—defined :

Under section 2(8) (e) of the Finance Act 1975 'net agricultural income' in relation to a person means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule of the Finance Act.

PERSONS LIABLE UNDER THE SCHEME :

The following persons are liable under this scheme if their non-agricultural income exceed the exemption limit (Rs. 10,000 with effect from A.Y. 1978-79)

- (1) Individuals;
- (2) Hindu undivided family;
- (3) Unregistered firm;
- (4) Association of persons;
- (5) Bodies of individuals; and
- (6) Artificial juridical persons;

PERSONS EXEMPT FROM THE SCHEME.

The following persons are outside the purview under this scheme:

- (1) Registered firms;
- (2) Co-operative Societies;
- (3) Local authorities;
- (4) Companies.

COMPUTATION OF AGRICULTURAL INCOME.

"Agricultural income" can broadly be classified as under:

- (a) Rent or revenue derived from land which is situated in India and is used for agricultural purposes.
- (b) Income derived from such land by (i) agriculture, or (ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or (iii) the sale by such person of the produce raised or received by him in respect of which any process has been performed other than the process of the nature referred to in (ii) above.
- (c) Income derived from any building owned and occupied by the receiver of rent or revenue of such land, or occupied by the cultivator or the receiver of rent-in-kind, provided the building is used as a dwelling house or as a store-house or other outbuilding.

(a) *Rent or revenue derived from agricultural land* will be computed on the same basis as is adopted for computation of income chargeable under the head "income from other sources" under sections 57 to 59 of the Income-tax Act. The broad effect of this provision will be that any expenditure (not being in the nature of capital expenditure or personal expenses of the tax payer) laid out or expended wholly and exclusively for the purpose of earning rent or revenue will be allowed as deduction in computing the rent or revenue from agricultural land. In view of a specific provision made in this behalf, no expenditure which is incurred wholly and exclusively for the purposes of earning the rent or revenue from agricultural land will be disallowed under section 40(A) (3) of the Income-tax Act merely on the ground that the payment in respect thereof has not been made by crossed cheque or a crossed bank draft (Rule 1).

(b) *Income derived from agricultural operations, including the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to the market,* will broadly be taxed as if it were income chargeable to tax under the Income-tax Act under the head "Profits and gains of business or profession" and provisions of sections 30, 31, 32, 34, 36, 37, 38, 40, 40A (other than sub-section (3) and (4) thereof) 41, 43 and 43A of the Income-tax Act shall apply accordingly. Agricultural house property which is used as store-house or other out-building will be treated in the same manner as house property used for the purposes of business. It should be noted that the provisions of section 33 and 35 will not apply in the computation of such income. Accordingly, no development rebate will be allowed in respect of machinery and plant used for the purposes of agricultural operations nor will any deduction be available in respect of expenditure on scientific research in computing such income. Depreciation will, however, be admissible in respect of buildings, plant and machinery and furniture used for the purposes of agricultural operations at the rates prescribed in the Income-tax Rules, 1962. Land revenue paid by the taxpayer will qualify for deduction.

Deduction will also be allowed in respect of animals which are used for agricultural operations and have died or become useless for such purposes. Further, expenditure incurred wholly and exclusively for purposes of carrying on agricultural operations will not be disallowed merely because the payment in respect thereof has not been made by crossed cheque or crossed bank draft (*Rule 2*).

(c) *Income derived from agricultural house property* which is used as dwelling house by the receiver of rent or revenue or by the cultivator or the receiver of rent-in-kind will be computed as if such income is chargeable to tax of under the head "*Income from house property*" and the provisions of section 23 to 27 of that Act, will apply accordingly. It has been specifically provided that where agricultural house property is occupied by the owner for purposes of his own residence, the annual letting value of such property will be computed after allowing, deduction equal to one-half of the annual value or Rs. 1,800, whichever is less, subject to overall ceiling of 10% of his other agricultural income. Thus, the annual value of the agricultural house property which is occupied by the owner thereof for his own residence will in no case exceed 10% of his other agricultural income computed in accordance with the rules specified in part IV of the Schedule to the Finance Act.

Computation of Partner's share in the income or loss from a firm.

Where the assessee is a partner of a registered firm or an unregistered firm assessed under section 183(b) of the Income-tax Act, as a registered firm, which in the previous year has any agricultural income, or is a partner of an unregistered firm or a member of an association of persons or a body of individuals which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the exemption limit, then the agricultural income or loss of the firm or of the association or body shall be computed in accordance with these rules. The share of partner in the income or loss will be computed in accordance with the provisions of sub-section 1, 2 and 3 of section 67 of the Income-tax Act.

Similarly the share or loss of the member of association of persons or body of individuals will be computed (Rules 5 & 6 of Part IV of First Schedule).

SET OFF OF AGRICULTURAL LOSS :

Loss incurred in agriculture will be allowed to be set off only against gains from agriculture. No set off will, however, be allowed in respect of tax-payer's share in the agricultural loss of an association of persons or body of individuals or of an unregistered firm which is not assessed as registered firm under section 183(b) of the Income-tax Act, (*Rule 7 of Part IV of First Schedule*).

CARRY FORWARD OF AGRICULTURAL LOSS.

Where in the case of individuals, Hindu undivided families, unregistered firms or other associations of persons or bodies of individuals and artificial juridical persons, the net agricultural income computed in accordance with the rules specified in Part IV of First Schedule to the Finance Act, has resulted in a loss, such loss will be set off against the agricultural income of the succeeding previous year and only the balance of agricultural income will be taken into account for determining the rates of income-tax to non-agricultural income in the succeeding previous year.

DEDUCTION OF TAX LEVIED BY STATE.

Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income (*Rule 8*).

AGRICULTURAL LOSS.

Where the net result of the computation of agricultural income from various sources as stated above is a loss, the loss will be disregarded and the net agricultural income of the tax payer for the purposes of the rate schedule shall be taken at 'Nil' (*Rule 10*).

CALCULATION OF INCOME-TAX IN CASE OF NON-AGRICULTURAL INCOME WITH NET AGRICULTURAL INCOME

In cases where a person has non-agricultural income exceeding the exemption limit i.e. Rs. 10,000/- along with agricultural income, the income-tax will be computed in the following manner as explained in the succeeding paragraph :--

- (i) The agricultural and non-agricultural component of the tax payers income will first be aggregated and income-tax (*including surcharge*) calculated on the aggregate as if such aggregate were the total income;
- (ii) income-tax (*including surcharge*) will then be calculated on the net agricultural income as increased by an amount of Rs. 8000/- as if such increased net agricultural income were the total income;
- (iii) the amount by which the income-tax (*including surcharge*) calculated under (i) exceeds the amount calculated under (ii) will be income-tax (*including surcharge*) payable by the tax-payer on his total income.

The effect of this will be that for the purpose of determining the amount of income-tax;

- (a) the first Rs. 8000/- of non-agricultural income will be appropriated to the lowest slab chargeable to tax at nil rate;
- (b) the agricultural component of the income will be appropriated to the middle slabs but no tax will be paid thereon;
- (c) the balance of the non-agricultural income which alone will be chargeable to tax, will be appropriated to the top slabs and charged to tax accordingly.

It should be noted that in the case of Hindu undivided family having one or more members with independent total income exceeding Rs. 10,000 income-tax on the aggregate of agricultural and non-agricultural income [*hereinafter referred to as the aggregate income*], as also on the net agricultural income as increased by Rs. 8000/- will be calculated at the rates in force in that year. in the case of other categories of taxpayers covered by the Scheme, such calculations will be made in accordance with the rates in force in that year for them.

Marginal Relief—In consequence of the raising of the exemption limit of Rs. 10,000/- concurrently with maintaining the 'NIL' rate slab at the existing level of Rs. 8,000/- the following modifications are made in the provisions for calculation of income-tax in cases where the taxpayer has agricultural income in addition to total income and the said agricultural income does not exceed Rs. 2,000/-.

- (i) In determining the income tax (*excluding surcharge*) payable on the aggregate of the total income and the net agricultural income, the marginal provision specified in sub-paragraph I or sub-paragraph II of the said Paragraph A will not apply.
- (ii) In determining the income tax (*excluding surcharge*) payable on the aggregate income as increased by the sum of Rs. 8,000/- the Income tax will be computed as if the exemption limit was Rs. 8000/- and the marginal provision in sub-paragraph I or sub-paragraph II of the said Paragraph A will not apply.
- (iii) The amount of income tax determined under (ii) above will be deducted from the income tax determined under (i) above. The income-tax so determined shall, in no case exceed 70 per cent of the excess of the total income over Rs. 10,000/-
- (iv) The amount so determined shall be increased by a surcharge equal to 15% of the amount of income-tax.

COMPUTATION OF AGGREGATED INCOME [*i.e. non-agricultural and agricultural income*]

In order to determine tax liability in case of individuals, Hindu undivided families etc. having agricultural income, total income will first be determined after allowing all deductions (*including deductions under Chapter VI-A of the Income-tax Act*) net agricultural income will be computed in accordance with rules in Part IV of the First Schedule to the Finance Act and then income-tax calculated as explained above.

Example 1 :—An individual has non-agricultural taxable income of Rs. 10,000 and net agricultural income of Rs. 10,000/- in assessment year 1978-79,

Solution :—No income-tax is payable since non-agricultural income did not exceed the exemption limit (i.e. Rs. 10,000/-).

Example 2 :—An individual has non-agricultural taxable income of Rs. 15,000/- and net agricultural income of Rs. 3,000/- in assessment year 1978-79.

Solution :—

Computation of aggregated income

Non-agricultural taxable income	Rs. 15,000
Net agricultural income	Rs. 3,000
	<u>Rs. 18000</u>

Calculation of tax payable

Income-tax and surcharge on aggregated income	Rs. 1828-50
Less—Income-tax and surcharge on net agricultural income as increased by Rs. 3,000/-	Rs. 517-50
	<u>Rs. 1311-00</u>

Example 3 :—An individual has total income (*non-agricultural*) of Rs. 10,500/- and net agricultural income of Rs. 1500/- in assessment year 1978-79, Compute the advance tax payable.

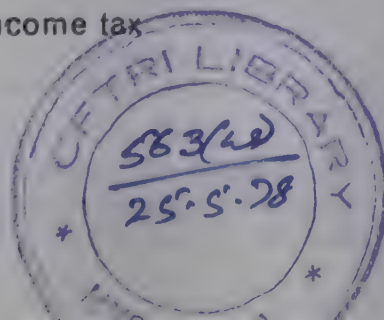
Solution :—

Computation of aggregated income

Total Income (<i>Non-Agricultural</i>)	Rs. 10,500/-
Net Agricultural Income	Rs. 1,500/-
	<u>Rs. 12,000/-</u>

Calculation of tax payable

Income-tax on aggregated income	Rs. 600/-
Income-tax on net agricultural income as increased by Rs. 8000/-	Rs. Nil
	<u>Rs. 600/-</u>
Income-tax-limited to 70% of the excess of Rs. 10,000/- of the total income (Rs. 10,500-Rs. 10,000)	Rs. 350-00
Surcharge at 15% on income tax	Rs. 52-50
	<u>Rs. 402-50</u>
Rounded off	Rs. 403-00



CHARITABLE AND RELIGIOUS TRUSTS

Kinds of trusts :

- (i) *Charitable trust* : It is a trust in which property is held for charitable purposes. A trust is said to be public trust when beneficial interest is vested in an uncertain or fluctuating body either the public at large or some considerable portions answering a particular descriptive.
- (ii) *Religious trust* : It is a trust in which property is held under trust for religious purposes which are determined by the personal law governing the person concerned. The religious trusts are of two types :
 - (a) *Private religious trust* : It is a trust which aims at the spiritual well being and welfare of a group of the persons.
 - (b) *Public religious trust* : It is for the spiritual benefit of community as such as against individuals or a group of individuals.
- (iii) *Any other legal obligations* : It includes a Hindu Endowment, a Muslim Wakf and company etc.
- (iv) *Institution* : It means a society or organisation established for some specific object. It is established to translate the objects and ideal of the founder in the living present.

Charitable purposes :

Section 2(15) of the Income-tax Act gives the inclusive definition of "charitable purpose". It runs as under :—

"Charitable purpose" includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility not involving the carrying on of any activity for profit.

Which income of trust or institution is exempt from income-tax :

The income of a charitable trust or religious institution is exempt under section 11 only if it satisfies the conditions laid down in sections 11, 12, 12A or 13. But the income of the followings are exempt even if they do not fulfil the conditions as laid down in those sections :

- | | |
|---------|---|
| Section | 10(21)—Income of an approved scientific research association. |
| Section | 10(22)—Income of a university or other educational institution existing solely for educational purposes and not for purposes of profit. |
| Section | 10(22A)—Income of a hospital or similar institution existing solely for philanthropic purposes and not for purposes of profit. |
| Section | 10(23)—Income of an approved association or institution established in India for the control or supervision or regulation or encouragement in India of the games or sports as notified by the Central Government. |
| Section | 10(23A)—Any income of an association or institution established in India having as its object, the control, supervision, regulation or encouragement of the profession of law, medicines accountancy, engineering or architecture or such other profession as the Central Government may notify (other than income chargeable under the head "Interest on securities", "Income from house property" or income received for rendering any specific services or income by way of interest or dividends derived from the investments). |
| Section | 10(23B)—Any income of an institution constituted as a public charitable trust or registered under the Societies Registration Act, 1860, or under any law corresponding to that Act in force in any part of India, and existing solely |

for the development of khadi or village industries or both and not for purposes of profit, to the extent such income is attributable to the business of production, sale, or marketing of khadi or products of village industries on fulfilling the prescribed conditions.

Section 10(23C)—Any income received on behalf of (1) the Prime Minister's National Relief Fund; or (2) the Prime Minister's Fund (Promotion of Folk Art); or (iii) the Prime Minister's (Aid to Students) Fund (iv) any fund or institution established for charitable purposes which may be notified by the Central Government in the Official Gazette, having regard to the objects of the fund or institution and its importance throughout India.

Conditions which a trust or institution must satisfy for exemption under section 11.

The income of a trust or institution which may be exempt from the levy of income-tax, provided it satisfies the conditions as laid down in sections 11, 12, 12A and 13, are as under—

- (i) the income must be derived from the property of a charitable trust or religious institution or the income must be voluntary contribution to the charitable trust or religious institution (if the contributions are made with a specific direction that they shall form part of the corpus of the trust, then such conditions to the charitable trust or religious institutions shall be exempt even if they do not satisfy the conditions of accumulations etc. as prescribed in sections 11, 12, 12A and 13);
- (ii) the charitable trust or religious institution must not be subjected to provision of sections 60 to 63, i.e., the property transferred to the charitable trust or the religious institution must be irrevocable and the transferor must not be able to derive any direct or indirect benefit from such income;
- (iii) the trust or the institution must be wholly for the charitable or religious purposes. Trust partly for charitable or religious purposes is not eligible for exemption if created after 1st April, 1952;

If the trust or the institution was created on a date prior to 1st April, 1952, the exemption of income is available (*if other conditions are satisfied*) even to the trust or institution which is partly religious and partly charitable;

- (iv) the trust or institution created after 1st April, 1952 for the benefit of any particular religious community shall not be eligible for exemption under section 11;
- (v) the income of a trust or institution which may be wholly for religious purposes, yet would not be exempt unless the trust or institution ensures for the benefit of the public, i.e., a private religious trust, or a private religious institution not for the benefit of public shall not be eligible for exemption under section 11;
- (vi) that a charitable trust or institution for the relief of the poor, education or medical relief, must not carry on any business other than a business actual carrying out of a primary purpose of the trust or institution [Applicable from assessment year 1977-78] ; and
- (vii) the property or income of the trust must not be directly or indirectly applied or utilised for the benefit of any of the "specified persons". What constitutes application and who is included among "specified persons" are given hereafter.

Application of income in the previous year :

Upto assessment year 1975-76 only such income shall be granted exemption from tax which has been applied for the purpose of trust in the previous year or spent in the succeeding three months on fulfilling the specified conditions. With effect from assessment year 1976-77 the trust income will be fully exempt if 75% of its income (including voluntary contributions other than donations to trust corpus) is actually spent in India for charitable or religious purposes. Where the income actually spent on the objects of trust during the

previous year is less than 75% of the total income, then the amount actually spent for charitable or religious purposes as increased by one fourth of the income shall be exempt from tax and the balance sum will be taxed unless spent in the subsequent year on fulfilling specified conditions.

Conditions which must be satisfied even if the trust or institution had been validly created wholly for charitable or religious purposes :

What has been stated earlier relates to the conditions which a trust or an institution must satisfy if the income derived from the property of the trust or the institution is sought to be exempt under section 11. The further conditions which are required to be satisfied by a trust or institution (validly created wholly for the charitable or religious purposes in India) are as under :—

1. The trust or the institution must apply the income derived from property held by it or from voluntary contributions to it in the previous year for the purposes of the trust or institution. The exemptions or the relaxations of this condition is discussed *infra*.
2. The income or the property of the trust must not be used or applied either directly or indirectly for the benefit of any person referred to in sub-section 3 of section 13 hereinafter referred to as "specified persons" [Section 13(1)(c)(ii)].

The most important noteworthy feature of this condition is that section 13(2) lays down a list of transactions which, if transacted by the trust or association, shall be deemed for the purpose of section 13(1)(c) to have resulted into use or application of property or income of the trust or institution for the benefit of the "specified persons" and the consequence would be that the trust or institution shall forfeit the exemption from tax otherwise available to it under section 11. Hence special care and precautions have to be taken that the trust or the institution does not carry out any of the transactions stated in section 13(2) which, if done, would deem that the property or income has been used or applied in contravention to the prohibition laid down in section 13(1)(c) and the trust or institution shall not be entitled to the exemption from taxation under section 11.

Another very important and noteworthy point is that there are large number of persons who are included in section 13(3) and who are referred here as "specified persons". Any benefit provided to any "specified person" from the trust property or income either directly or indirectly and either actually or deemed under section 13(2) shall render the trust or institution ineligible for exemption under section 11.

Extension of time for applying income :

Upto assessment year 1975-76 a charitable trust had the option to apply the income received in the accounting year or in the period which expires within the next three months from the close of the accounting year. In such a case the income applied in the said succeeding period shall be considered to have been applied in the preceding accounting year.

With effect from assessment year 1976-77 a charitable trust has the option to apply the 75% of its income (including voluntary contributions other than donations to corpus of the trust) received in an accounting year. If the income applied during the previous year is less than 75% of the total income, the deficiency can be made good at the option of the trustees as under :—

- (i) where the deficiency is due to the reason that the whole or any part of the income which has accrued, has not been received during the relevant previous year, such deficiency may be made good during the previous year in which such accrued income has been actually received or the next previous year ;
- (ii) where the deficiency is due to any other reason, it will have to be made good in the previous year immediately following the previous year in which the deficiency had occurred.

In case where the option is exercised but the income so promised has not been utilised in the year as referred to in clause (i) or in the succeeding previous year as referred to in clause (ii), then such promised income shall be treated as the income of the previous year immediately following the previous year in which the income was received or the income of the previous year next following the previous year in which the deficiency was occurred, as the case may be.

The trust is required to make such option in writing before the expiry of time allowed under section 139(1) or 139(2) whether fixed originally or on extension for furnishing the return of income. The Income-tax Officer has no option to disallow such application.

No form has been prescribed for making such application.

Accumulation of income under section 11(2):

Section 11(2) provides that charitable trust may, instead of applying income to the previous year or within the specified period of succeeding previous year, accumulate or set apart the income of the trust. Such accumulated income or incomes set apart shall not forfeit exemption from tax if the following conditions are established:—

1. A notice in the prescribed Form No. 10 as laid down in Rule 17 is submitted to the Income-tax Officer having jurisdiction over the assessment of the trust.
2. The notice to the Income-tax Officer is to be given before the expiry of time allowed for furnishing the return of income under sub-section 1 or sub-section 2 of section 139 whether fixed originally or on extension for furnishing the return of income.
3. A copy of resolution, passed by the trustees deciding to set apart the income, has to be filed alongwith the above notice. The trustees may specify the particular amount or the percentage of the income of the trust or may even write "such sum as is available at the end of the previous year" which the trustees decide to accumulate or set apart. The objects for which the said sums are accumulated or set apart have to be stated.
4. The sums accumulated or set apart have to be invested in any Government security as defined in clause (2) of section 2 of the Public Debt Act, 1944 or in any other security approved by the Central Government in this behalf or deposited in any account with the post office savings bank or banking company (scheduled bank w.e.f. 1-4-1978) or in a co-operative society engaged in carrying on the business of banking including a co-operative bank or co-operative land mortgage bank or co-operative land development bank or deposited in any of the approved Finance Corporations engaged in providing long-term finance for industrial development in India or similar corporation approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36
5. The trust shall be required to invest or deposit income to be accumulated or set apart before the expiry of six months commencing from the end of each relevant previous year in any or more of the above specified securities or account.
6. The trust shall have to furnish the annual accounts alongwith the details of investments and utilisation, if any, of the money so accumulated or set apart before the expiry of six months from the end of each relevant previous year or before 30th June immediately following the previous year, whichever is later.

The Income-tax Officer has been vested with power given under section 11(3) to treat the income so accumulated or set apart as the income of the previous year in which such income is applied to some purpose other than charitable or religious purpose or ceases to be accumulated or set apart for any charitable or religious purpose or ceases to remain invested in approved security or deposited in any account other than specified in section 11(2)(b) or is not utilised for the purposes for which it was declared to be accumulated or set apart.

The Taxation Laws (Amendment) Act, 1975 has inserted a new sub-section (3A) in section 11 of the Income-tax Act, 1961 with effect from assessment year 1976-77. Under this sub-section, if, due to circumstances beyond the control of the trustees, accumulated income can not be utilised for purpose or purposes for which it is accumulated, the Income-tax Officer may allow the trustees to utilise the amount for any other purpose or project which is in conformity with the objects of the trust if an application to this effect is made by the trustees. It is further provided that if the trustees do not apply the income for the changed purpose or project within the period of accumulation, the amount will be treated as the income of the year in which the default takes place.

Income from business of the trust:

Section 11(4) of the Act lays down that the income from business of any charitable trust shall be determined in accordance with the provisions of the Act relating to the assessment and it is further laid down that if the income determined by the Income-tax Officer is in excess of income shown by the trust, the difference in the income shall be includible in the total income and shall be liable to tax. In other words, income in excess of what is shown by the trust shall be treated as taxable income of the trust.

The Taxation Laws (Amendment) Act, 1975 has inserted a new clause (bb) in sub-section 1 of section 13 of the Income tax Act, 1961 with effect from assessment year 1977-78. Under the said clause the charitable trust or institution for the relief of the poor, education or medical relief will forfeit exemption under section 11 of the Income-tax Act, 1961, if it carried on any business other than a business actually carrying out of a primary purpose of the trust or institution.

Exemption in respect of certain income from voluntary contributions [section 12]:

With effect from assessment year 1973-74 the voluntary contributions received by the trust created wholly for charitable or religious purposes or by an institution established wholly for such purposes (not being contributions made with a specific direction that they shall form part of the trust or institution) shall be deemed as income received from property held under trust for the purposes of section 11.

It is provided in section 12 that if the donor at the time of making a voluntary contribution specifically gives a direction that his contribution shall form part of the corpus of the trust fund, such voluntary contribution shall not be treated as income and shall not be required to be applied for the purposes of the trust within the previous year, nor such contributions shall be required to be notified to the Income-tax Officer for the purpose of being accumulated or setting apart under section 11 (2) which only applies to 'income' of the trust.

Capital gain of the trust for charitable purposes [sec. 11(1A)]:

If a capital asset held by a trust wholly for charitable or religious purposes is transferred by the trust and the consideration received on transfer is utilised for acquiring another capital assets of the trust, the capital gains arising from the transfer of the capital assets shall not be taken to be the income of the trust and shall not be required to be applied for the purposes of the trust like other income of the trust. The capital gains arising shall be treated as under:—

- (i) where the whole of the net consideration is utilised in acquiring the new asset, the amount of capital gains which is to be treated as income, shall be *nil*.
- (ii) where only a part of the consideration is utilised in acquiring new capital asset, the difference between the amount utilised for acquiring the new asset and the cost price of the asset transferred shall be deemed to be applied for the charitable purposes and the balance of the unutilised amount shall be taken to be the income of the trust which shall be dealt similar to income derived from property held under trust.

Deemed use or application of property or income of the trust [Section 13(2)]:

As mentioned earlier, a trust shall forfeit the exemption from tax if the property or income of the trust is applied or used for the benefit of any 'specified person'. In case of

trusts created prior to 1st April, 1952, the application or use of property or income of the trust is permitted only if it is used or applied by way of compliance of a mandatory term of the trust or a mandatory rule governing the institution.

Apart from the general prohibition against the use or application of either the property or the income of the trust for the benefit of any 'specified person', section 13(2) lays down that the following transactions, if transacted, would be deemed that the property or income of the trust has been applied or used in favour of the 'specified person' and the trust shall be ineligible for exemption under section 11 :

- (a) If the property or income of the trust is lent to the "specified person" without adequate security or interest or both.
- (b) If any land or building or other asset of the trust or institution is made available for the use of "specified person" for any period without charging adequate rent or other compensation.
- (c) If any amount is paid by way of salary or allowance to any "specified person" which the Income-tax Officer considers as excessive or unreasonable as compared to services rendered by that person.
- (d) If the services of the trust are made available to the "specified person" without adequate remuneration or other compensation.
- (e) If any share, security or other property is purchased by the trust or on behalf of the trust from a "specified person" and for a consideration which is more than adequate.
- (f) If any share, security or other property is sold to the "specified person" by the trust for a consideration which is less than adequate.
- (g) If any income or property of the trust, where amount of income is more than Rs. 1,000 or the value of property is more than Rs. 1,000, is diverted during the previous year from trust in favour of any "specified person".
- (h) If any fund of the trust or institution remains invested for any period during the previous year in any concern in which the "specified person" has a substantial interest.

However, if the funds of the trust invested in any concern in which the "specified person" has a substantial interest, do not exceed 5% of the capital of that concern, the entire income of the trust shall not forfeit exemption from tax but the forfeiture of exemption shall be limited to the income of the trust derived from the investment in that concern.

Specified person [Section 13(3)]:

The following are the specified persons :—

- (1) the author of the trust or the founder of the institution ;
- (2) any person who has made a substantial contribution to the trust or institution ; with effect from assessment year 1977-78 a person shall be deemed to be a person who has made a substantial contribution to the trust or institution if the total contribution of such person upto the end of the relevant previous year exceeds five thousand rupees ;
- (3) where such author, founder or person is a Hindu undivided family, a member of the family ;
- (4) any trustee of the trust or manager (by whatever name called) of the institution ;
- (5) any relative of any such author, founder, person, member, trustee or manager as aforesaid ;
- (6) any concern in which any of the persons referred to in above clauses has a substantial interest ;

- (i) 'Relative'—Since the definition of "specified person" includes relative of such person, hence the definition of relative is very essential.

Under section 2(41) 'relative' in relation to an individual means the husband, wife, brother or sister or any lineal ascendant or descendant of that individual.

For the purposes of sections 11, 12, 12A and 13 the definition of 'relative' is much wider. In relation to an individual a relative means—

(a) spouse; (b) brother or sister; (c) brother or sister of spouse; (d) any lineal ascendant or descendant; (e) any lineal ascendant or descendant of spouse; (f) spouse of any person referred to in (b), (c) and (d); (g) any lineal descendant of a brother or sister of either the individual or of the spouse.

- (ii) 'Substantial interest'—A person is said to have substantial interest if he holds at least 20 per cent of the shares carrying voting powers in a company or 20% right to receive profit in a concern either by himself or partly himself and partly by one or more other persons referred to section 13(3).

Other conditions such as registration : [Section 12A]:

An important condition has been prescribed by the Act in respect of the trusts or institutions which derive income from property wholly for charitable or religious purposes.

The person in receipt of income has to apply on the prescribed Form No. 10A and in the prescribed manner to the Commissioner before the 1st July, 1973 or before the expiry of one year from the date of the creation of the trust or the establishment of the institution, whichever is later.

It is further provided that the Commissioner may, in his discretion, admit an application for the registration of any trust or institution after the expiry of the period aforesaid.

The original/certified copy of document evidencing the creation of the trust or the establishment of the institution together with a copy thereof is to be furnished alongwith the application for registration of trust or institution. In addition, the trust or institution is required to furnish the true copy of accounts of the trust or institution for the latest one/two/three years, as the case may be, immediately preceding the year in which the application for registration is made.

Condition relating to audit [Section 12A(b)] :

Section 12A(b) lays down that if in any previous year the income of the trust or institution, as computed under this Act without giving effect to the provisions of section 11 and 12, exceeds Rs. 25,000 the accounts of the trust or institution should be audited by a chartered accountant or by an accountant as defined in the Explanation below sub-section (2) of section 288. The audit report in the prescribed Form No. 10B should be furnished alongwith the return of income for the relevant assessment year.

It must be noted that the provisions of section 11 are now applicable to all income including income from voluntary contributions (other than voluntary contributions towards trust corpus) of all trusts and institutions wholly for religious or charitable purpose. It is obligatory for every Mandir, Gurdwara, Church, Mosque or any other religious institution or society or any charitable institution or trust to secure registration with the Commissioner of Income-tax. Because without there being such registration with the Commissioner of Income-tax the exemption under section 11 shall not be available. It is also made obligatory to get the accounts audited by a chartered accountant if the income of Mandir or Mosque or institution exceeds Rs. 25,000.

Investment of trust funds:

The Taxation Laws (Amendment) Act, 1975 has inserted a new clause (d) in sub-section (1) of section 13 of the Income-tax Act, 1961 whereby it has become obligatory from the previous year commencing on or after 1st April, 1981 for every trust or institution to invest

its funds in the forms and modes laid down in section 13 (5) of the Income-tax Act, 1961 for getting exemption under section 11 of the Income-tax Act, 1961. If any trust contravenes the provisions of section 13(5) during the said period, it shall not be entitled to claim exemption under section 11. The new provisions will apply to assessments for the assessment year 1982-83 and subsequent years. For the sake of investment in different manner the trust funds are divided into three categories—

(1) In a case where the trust funds represent—

- (i) the corpus of the trust or institution immediately before the 1st day of June, 1973; or
- (ii) the original corpus (being assets other than cash) of any trust or institution created or established on or after the 1st day of June, 1973; or
- (iii) any contribution (otherwise than cash) made to any trust or institution on or after the 1st day of June, 1973 with a specific direction that they shall form part of the corpus of the trust or institution;

the same can be invested in any assets other than equity shares of a non-government company [Section 13(5)(b)].

(2) In a case where the trust funds represent—

- (i) the original cash corpus of the trust or institution created or established on or after the 1st day of June, 1973; or
- (ii) any cash contribution made to the trust or institution on or after the 1st day of June 1973 with a specific direction that they shall form part of the corpus of the trust or institution;

the investment or deposit can be made with any of the following mode or modes;

- (a) investment in savings certificates as defined in clause (c) of section 2 of the Government Savings Certificates Act, 1959 (46 of 1959), and any other securities or certificates issued by the Central Government under the small savings schemes of that Government;
 - (b) deposit in any account with the Post Office Savings Bank;
 - (c) deposit in any account with the State Bank of India constituted under the State Bank of India Act, 1955 or any subsidiary bank as defined in the State Bank of India (*Subsidiary Bank*) Act 1959 or any nationalised bank, that is to say, any corresponding new bank constituted under section 3 of the Banking Companies(*Acquisition and Transfers of Undertakings*) Act 1970 (5 of 1970); with effect from 1st April 1978 the amount can be invested with any scheduled bank or a co-operative society engaged in carrying on the business of banking (*including a co-operative land mortgage bank or a co-operative land development bank*);
 - (d) investment in units in the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);
 - (e) investment in any security for money credited and issued by the Central Government or a State Government;
 - (f) investment in debentures issued by, or on behalf of, any company or corporation both the principal whereof and the interest whereon are fully and unconditionally guaranteed by the Central Government or by a State Government;
 - (g) investment or deposit in any Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);
- (3) In any other case, the trust funds are to be invested in any of the following mode or modes :—

- (a) investment in savings certificates as defined in clause (c) of section 2 of the Government Savings Certificates Act, 1959 (46 of 1959), and any other securities or certificates issued by the Central Government under the small savings schemes of that Government;
- (b) deposit in any account with the Post Office Savings Bank;
- (c) deposit in any account with the State Bank of India constituted under the State Bank of India Act, 1955 or any subsidiary bank as defined in the State Bank of India (Subsidiary Bank) Act, 1959 or any nationalised bank, that is to say, any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970);
- (d) investment in units in the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963).

Exceptions:

- (1) A public trust established for the relief of poor, education or medical relief will be entitled to invest its funds in a business which is carried on in the course of the actual carrying out of a primary purpose of the trust and such investment will not be considered to be in contravention of the provisions of section 13(5).
- (2) The restriction about investments contained in section 13(1)(d) will not apply in respect of investment or deposit of monies accumulated or set apart in accordance with the provisions of section 11(2), because there is separate provision for investment of such accumulations in section 11(2)(b) of the Income-tax Act, 1961 [section 13(6)].

Points for consideration while filing the return of a charitable trust or religious institution :—

1. Examine whether the trust has been created in accordance with law.
2. Examine whether the charitable society or institution has been formed with proper constitution and rules.
3. Examine the objects of the trust.
 - (a) whether all objects are wholly for charitable or religious purposes (if trust is created after 1st April 1952).
 - (b) if some objects are of non-religious or charitable nature, or such objects merely ancillary or subsidiary to the main objects.
 - (c) whether objects of trust necessarily involve carrying on of business in furtherance of those objects.
4. Examine beneficiaries—
 - (a) examine if the terms of the trust or rules of the institution do not provide any benefit to any 'specified person' and that the trust is for the public benefit.
 - (b) examine if the trust is not created for the benefit of any particular religious community.
5. Examination of use or application of income—
 - (a) draw a list of the authors of the trust, substantial contributors of the trust and managers of the institution.

- (b) draw a list of the relatives of authors, substantial contributors, trustees and managers.
 - (c) draw a list of concerns in which such authors, contributors, managers etc. are substantially interested.
 - (d) examine all the transactions of the trust with a view to ascertain whether the trust had transacted any transaction with the "specified person" so as to come within the net of the provisions of sub-section 2 of section 13 of the Income-tax Act, 1961.
 - (e) examine the investment of the trust funds to ascertain if they exceed more than 5% of the capital of a concern in which a specified person has a substantial interest. If there is such investment, the entire income of the trust is liable to tax. If such investment is less than 5% of the capital of that concern, find out the income of the trust from that concern. Such income shall be included in the taxable income.
6. Examine whether the trust or institution has applied for registration in Form 10A in accordance with section 12A of the Income-tax Act, 1961.
 7. Examine whether the trust income (without applying the provisions of sections 11 and 12) exceeded Rs. 25,000 in the previous year, if so, the accounts must be got audited by a chartered accountant and the audit report shall have to be submitted to the Income-tax Officer alongwith the return of income.
 8. Examine whether the trust has applied 75% of its income to its objects in the previous year. Whether an application for extension of time for applying income in the subsequent period as specified in sub-section (1B) of section 11 of the Income-tax Act, 1961 has been made to the Income-tax Officer within the time allowed under sub-section (1) or (2) of section 139 for filing the income-tax return for that year.
 9. Examine if any income is desired to be accumulated or set apart, if so, whether—
 - (a) resolution to that effect has been passed by the trust;
 - (b) application in the prescribed Form No. 10 has been made to the Income-tax Officer;
 - (c) income has been invested or deposited as prescribed;
 - (d) necessary annual returns in this respect have been submitted;
 - (e) income when fallen due has been utilised for the purpose or a sanction has been obtained from the Income-tax Officer for the changed purpose.
 10. Examine if the return of income under section 139(4A) has been filed. The prescribed for filing to return is Form 3A.
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INCOME FROM SALARIES

Sums taxable under the head "Salaries" :

Under section 15 of the Income-tax Act, 1961 the following income shall be chargeable to income-tax under the head "Salaries" :—

- (a) any salary due from an employer or a former employer to an assessee in the previous year, whether paid or not;
- (b) any salary paid or allowed to him in the previous year by or on behalf of an employer or a former employer though not due or before it became due to him; it includes salary paid in advance (but not a loan).
- (c) any arrears of salary paid or allowed to him in the previous year by or on behalf of an employer or a former employer, if not charged to income-tax for any earlier previous year.

It is explained that where any salary paid in advance is included in the total income of any person for any previous year it shall not be included again in the total income of the person when the salary becomes due.

"Previous year" defined :

Previous year in respect of salary income means the financial year immediately preceding the assessment year.

"Salary" defined :

The expression "*salary*" has not been exhaustively defined under the Act. An inclusive definition has been given under section 17 (1) of the Income-tax Act, 1961 which is as follows :—

"Salary" includes :

- (i) wages;
- (ii) any annuity or pension;
- (iii) any gratuity;
- (iv) any fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages;
- (v) any advance of salary;
- (vi) the annual accretion to the balance at the credit of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under Rule 6 of Part 'A' of the Fourth Schedule; and
- (vii) the aggregate of all sums that are comprised in the transferred balance as referred to in sub-rule (2) of Rule 11 of part A of the Fourth Schedule of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under sub-rule (4) thereof.

"Perquisites" defined :

The expression "*perquisite*" has also not been exhaustively defined under the Act. An inclusive definition has been given under section 17 (2) of the Income-tax Act, 1961 which is as follows :—

"Perquisite" includes—

- (i) the value of rent-free accommodation provided to the assessee by his employer;
- (ii) the value of any concession in the matter of rent respecting any accommodation provided to the assessee by his employer;
- (iii) the value of any benefit or amenity granted or provided free of cost or at concessional rate in any of the following cases :—

- (a) by a company to an employee who is a director thereof;
- (b) by a company to an employee being a person who has a substantial interest in the company; *i. e.*, who is the beneficial owner of at least 20% of the ordinary shares;
- (c) by any employer (*including a company*) to an employee to whom the provisions of paragraphs (a) and (b) of this sub-clause do not apply and whose income under the head "salaries" exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds eighteen thousand rupees;
- (iv) any sum paid by the employer in respect of any obligation which, but for such payment, would have been payable by the assessee; and
- (v) any sum payable by the employer, whether directly or through a fund, other than a recognised provident fund or an approved superannuation fund to effect an assurance on the life of the assessee or to effect a contract for an annuity.

"Profits in lieu of salary" defined:

According to section 17 (3) "profits in lieu of salary" includes—

- (i) the amount of any compensation due to or received by an assessee from his employer or former employer at or in connection with the termination of his employment or the modification of the terms and conditions relating thereto;
- (ii) any payment, other than any payment referred to in clause (10), (10A), (10B) (11), (12) or (13A) of sec. 10, due to or received by an assessee from an employer or a former employer or from a provident or other fund (*not being an approved superannuation fund*), to the extent to which it does not consist of contributions by the assessee or interest on such contributions.

(1) Value of perquisite in respect of rent-free accommodation [Rule 3(a)]

The value of rent-free accommodation will be determined on the following basis:—

- (i) where the accommodation (*whether furnished or not*) is provided by Government to a person holding an office or post in connection with the affairs of the Union or of a State, or is provided by a body or undertaking under the control of Government to any officer of Government on deputation (the accommodation itself having been allotted to it by Government), the rent which has been or would have been determined as payable by such person or officer in accordance with the rules framed by Government for allotment of residences to its officers;
- (ii) where the accommodation is provided—
 - (A) by the Reserve Bank of India, to any person employed by it; or
 - (B) by a Corporation established by a Central, State or Provincial Act, or by a company in which all the shares are held (*whether singly or taken together*) by the Government or the Reserve Bank of India or a corporation owned by that bank to any person employed by it; or a company in which all the shares are held by such corporation;
 - (C) by a body or undertaking, including a society registered under the Societies Registration Act, 1860, financed wholly or mainly by the Government to any person employed by it; or
 - (D) by a company in which not less than 40% of shares are held (*whether singly or taken together*) by the Government or the Reserve bank of India or a Corporation owned by that bank, to any officer of Government on deputation or to any person employed by it after his retirement from the service of Government, an amount equal to—

- (1) if the accommodation is unfurnished, 10% of the salary due to such person or officer, as the case may be, in respect of the period during which the said accommodation was occupied by him during the previous year;
- (2) if the accommodation is furnished, an amount calculated in accordance with sub-clause (ii)(1) plus 10 per cent. per annum, of the original cost of the furniture (including television sets, radio sets, refrigerators, other house-hold appliances and air conditioning plant or equipment), or if such furniture is hired from a third party, the actual hire charges payable therefor;

(iii) in any other case :—

- (A) the value of rent-free residential accommodation which is not furnished shall ordinarily be a sum equal to 10 per cent. of the salary due to the assessee in respect of the period during which the said accommodation was occupied by him during the previous year:

Provided that where the fair rental value of the accommodation is in excess of 20 per cent. of the assessee's salary, the value of the perquisite shall be taken to be 10 per cent. of the salary increased by a sum equal to the amount by which the fair rental value exceeds 20 per cent. of the salary, so, however, that the Income-tax Officer may, having regard to the nature of the accommodation, determine the sum by which 10 per cent. of the salary is to be increased, as a percentage (*not exceeding 100 per cent.*) of the amount by which the fair rental value exceeds 20 per cent. of the salary.

Explanation—"Fair rental value" means the rent which a similar accommodation would realise in the same locality or the municipal valuation in respect of the accommodation, whichever is higher.

- (B) Where the accommodation is furnished, the value of rent-free residential accommodation shall be the aggregate of the following sums, namely:—

- (1) the fair rental value of the accommodation arrived at in accordance with the provisions of sub-clause (iii) (A) as if the accommodation were not furnished; and
- (2) the fair rent for the furniture (*including television sets, radio sets, refrigerators, other house-hold appliances and air-conditioning plant or equipment*) calculated at 15% per annum upto 31st March, 1976 and 10% per annum from 1st April 1976 of the original cost of such furniture or if such furniture is hired from a third party, the actual hire charges payable therefor.

Explanation—For the purpose of determining the value of accommodation—

"Salary" includes the pay, allowances, bonus or commission payable monthly or otherwise, but does not include the following namely :—

- (i) dearness allowance or dearness pay unless it enters into the computation of superannuation or retirement benefits of the assessee concerned;
- (ii) employer's contribution to the provident fund account of the assessee;
- (iii) allowances which are exempted from payment of tax;
- (iv) any allowance in the nature of an entertainment allowance, to the extent such allowance is deductible under clause (ii) of section 16.

Note 1—Where the assessee claims and the Income-tax Officer is satisfied that the fair rental value of the unfurnished accommodation is less than 10% of employee's salary, the value of rent-free accommodation shall be limited to such fair rental value [*Proviso (2) to Rule 3 (a)(iii)(A)*].

Note 2 As per executive instructions [Board's circular No. 9 (58-14) D of 1960 dated 17th March, 1960 and 7-D (LVIII-27) of 1965] in respect of rent-free unfurnished accommodation provided in the cities of Bombay, Calcutta, Delhi and Madras only the excess over 30% is to be added to the normal valuation.

Example 1 : Shri A is an employee of the company in Bombay and is in receipt of the following :—

—Salary @ Rs. 3,000 per month	Rs. 36,000
—Bonus	Rs. 3,000
—Dearness allowance (not eligible for computation of retirement benefits)	Rs. 3,600
—Perquisite :	

He is also provided with a rent-free unfurnished accommodation. The fair rent of such accommodation is Rs. 8,000.

Solution: The value of perquisite in respect of rent-free accommodation is to be taken as under :—

Value of perquisite : 10% of Rs. 39,000 (salary-bonus) = Rs. 3,900

Note 1. The difference between fair rental value and the normal value is less than 20% of the salary being resident in Bombay, hence ignored.

Note 2. In the above example if the residential accommodation was provided at Ghaziabad then the excess over 20% of the salary would also be added to the normal valuation. In the above case the excess over 20% amounts to Rs. 200.

Example 2 : Mr. B is an employee of a company at Ghaziabad and is in receipt of the following :—

—Salary @ Rs. 2,000 per month	Rs. 24,000
—Bonus	Rs. 2,400
—Dearness Allowance (not eligible for computation of retirement benefits)	Rs. 2,400
—Perquisite :	

He is provided with a rent-free furnished accommodation. The fair rent of the accommodation, as if unfurnished, is Rs. 4,000. The value of furniture fixed in the building is Rs. 5,000.

Solution : The value of perquisite in respect of furnished accommodation is to be taken as under—

Value of rent-free accommodation as if it is unfurnished
*10% of Rs. 26,400 (salary + bonus) Rs. 2,640

Add—10% depreciation on the original cost of furniture Rs. 500

Value of perquisite of rent-free furnished accommodation... Rs. 3,140

* The difference between fair rental value and the normal value is less than 10% of the salary, hence ignored.

(2) Value of perquisite in respect of accommodation provided to the employee at concessional rent [Rule 3 (b)]

The value of concession in the matter of rent in respect of residential accommodation provided to the employee by an employer is treated as perquisite. The value of perquisite

will be determined in the manner stated above for valuation of rent-free accommodation and therefrom the rent actually payable by the employee will be deducted.

Example : B is an employee of a company in Bombay and is in receipt of the following:—

—Salary @ Rs. 3,000/- per month	...	...	...	Rs. 36,000
—Bonus	...	...	...	Rs. 3,000
—Dearness allowance	...	...	...	Rs. 3,600
(not eligible for computation of retirement benefits)				

—Perquisite:

He is also provided with a rent-free unfurnished accommodation and a sum of Rs. 1,200 is recovered as rent while the fair rent is Rs. 8,000.

Solution : The value of perquisite in respect of concession in the matter of rent will be computed as under:—

*10% of salary of Rs. 39,000 (<i>salary + bonus</i>)	...	...	...	Rs. 3,900
Deduct—Rent recovered by employer...	...	...	...	Rs. 1,200
Value of perquisite	...	...	...	<u>Rs. 2,700</u>

*The difference between fair rent and normal value is less than 20% of the salary, being resident in Bombay, hence ignored.

(3) Value of perquisite in respect of car and other conveyance provided by the employer for private use of the employee [Rule 3(c)] :

The amenity provided by an employer to an employee in the shape of conveyance facility for private or personal use is taxable in the hands of employee as perquisite u/s 17(2)(iii). The value of this perquisite is added only in the case of following employees as per provisions contained in section 17(2)(iii) of the Income-tax Act, 1961—

- directors of a company;
- employees having substantial interest in the company;
- other employees whose income under the head "salaries" (excluding all non-monetary benefits) exceeds Rs. 18,000 for the year.

In the case of employees not falling under the above categories, no addition on account of the provision of this amenity shall be made. The provision regarding the valuation of this perquisite as per Rule 3(c) are stated below:—

- Value of motor car exclusively for employee's use**—Where a motor car is provided by an employer to its employee for use exclusively by him for his private or personal purposes, its value shall be determined as the sum actually spent by the employer on the maintenance and running of the motor car during the relevant previous year (including remuneration, if any, paid by the employer to the chauffeur) and, where the motor car is owned by the employer, as the aggregate of such sum and the amount representing the normal wear and tear of the motor car;
- Value of motor car partly for personal use**—Where a motor car is provided by an employer for the use of the employee partly for his personal purposes and partly for business purposes, its value shall be determined to be a sum equal to that part of the amount actually spent by the employer on the maintenance and running of the motor car during the relevant previous year (including remuneration, if any, paid by the employer to the chauffeur) which can reasonably be attributed to the user of the motor car by the assessee for his private or personal purposes or, where the motor car is owned by the employer,

the aggregate of such sum and of a sum equal to that part of the amount representing the normal wear and tear of the motor car which can reasonably be attributed to the user of the motor car by the assessee for his private or personal purposes; so, however, that where a determination on the basis mentioned above, presents difficulty, the value of the perquisite may be determined on the basis provided hereunder :—

PARTICULARS	Value of perquisite per calender month			
	Where the h.p. rating of the car does not exceed 16 or the cubic capacity of the engine does not exceed 1.88 litres.		Where the h.p. rating of the car exceeds 16 or the cubic capacity of the engine exceeds 1.88 litres	
	If chauffeur not provided Rs.	If chauffeur provided Rs.	If chauffeur not provided Rs.	If chauffeur provided Rs.
1. Where the motor car is owned or hired by the employer and all the expenses on maintenance and running are met or reimbursed to the assessee by the employer.	300	450	400	550
2. Where the motor car is owned or hired by the employer but the expenses on maintenance and running for the assessee's private or personal purpose are met by the assessee.	100	250	150	300

(iii) *Value of motor car in case of more than one car*—Where one or more motor cars are owned or hired by the employer of the assessee and the assessee is allowed the use of such motor car or all or any of such motor cars (otherwise than wholly and exclusively in the performance of his duties) an amount calculated in accordance with the foregoing paragraph as if the assessee had been provided one motor car for use partly in the performance of duties and partly for his private or personal purposes;

Provided that where two or more motor cars are allowed to be so used and the h.p. rating of any one of such motor cars exceeds 16 or the cubic capacity of the engine of any one of such motor cars exceeds 1.88 litres, the assessee shall be deemed to have been provided by the employer with one motor car of h.p. rating exceeding 16.

(iv) *Value of motor car owned by the employee and expenses on running and maintenance met by the employer*—Where the assessee owns a motor car but the actual running or maintenance charges (including remuneration of chauffeur, if any) are met, or re-imbursed to him, by the employer, the value of the perquisite to the assessee shall be determined as the sum actually spent by the employer which, in the opinion of the Income-tax Officer, can reasonably be attributed to the user of the car by the assessee for his private or personal purposes.

(v) *Value of motor car provided at concessional rate*—Where a motor car or motor cars are provided for the use of or allowed to be used by the assessee

(otherwise than wholly and exclusively in the performance of his duties) at a concessional rate, its value shall be determined as the sum by which the value computed in accordance with the foregoing provisions exceeds the amount actually payable by the assessee for the use of such motor car or motor cars for the period of use during the relevant previous year.

- (vi) *Value of any other conveyance*—The value of the free use by the assessee of any other type of conveyance, *i. e.*, motor-cycle, scooter, aeroplane etc. provided by the employer shall be determined as so much of the sum actually spent by the employer on the maintenance and running of the conveyance during the relevant period (including normal wear and tear where the conveyance is owned by the employer) which in the opinion of the Income-tax Officer can reasonably be attributed to the user by the assessee for his private or personal purposes.

Example-1 : Salary @ Rs. 2,000 per month for the year ended 31st March, 1979 Rs. 24,000

The employer has provided a car of 12 h.p. and the same is used by the employee partly for personal use and partly for business purposes. The running expenses are met by the employer. No chauffeur is provided.

The value of the perquisite will be Rs. 300×12 Rs. 3,600

Gross salary Rs. 27,600

Example-2 : Salary @ Rs. 1,000 per month for the year ended 31st March, 1979 Rs. 12,000

The employer has provided a car of 12 h.p. and the same is used by the employee partly for personal use and partly for business purposes. The running expenses are met by the employer. The employee is neither a director in the company nor has any substantial interest.

The value of the perquisite will be nil [since the salary (excluding all non-monetary benefits) does not exceed Rs. 18,000/- and the employee has no substantial interest in the company]

Gross salary, Rs. 12,000

(4) Value of perquisite in respect of free supply of gas, electric energy or water [Rule 3(d)] :

The free supply of gas, electricity, or water to an employee for his house-hold consumption is considered as taxable perquisite. As these benefits are not covered in the category of perquisite mentioned in sub-clauses (i) or (ii) of clause 2 of section 17, these automatically come under sub-clause (iii) and, therefore, will be taxable in the following cases :

- (1) if the employee is a director of the company; or
- (2) if the employee has substantial interest in the company; or
- (3) if the salary (excluding all non-monetary benefits) of the employee exceeds Rs. 18,000 for the year.

The value of this perquisite in the above cases will be computed as under:—

- (i) the value of the benefit shall be taken to be the sum paid on that account by the employer to the agency supplying the gas, electric energy, or water;
- (ii) where such supplies have been made by the employer from his own resources without purchasing them from any other outside agency, the value therefor shall be taken as 'nil'; and
- (iii) where the gas, electric and water are consumed by the employee also for the purposes of his official duties, the value thereof for personal use shall be the amount paid on that account by the employer or @ 6½% of the salary of the employee, whichever is lower.

5) Value of perquisite in respect of free education facilities [Rule 3(e)]

The value of the benefit to the employee resulting from the provision of free education facilities for any member of his household shall be determined as the sum equal to the amount of the expenditure incurred by the employer in that behalf, but where the educational institution itself is maintained and run by the employer for the benefit of all his employees as a group, the value of the perquisite to the employee shall be determined with reference to the reasonable cost of such education in a similar institution in or near the locality.

6) Value of perquisite providing free or concessional journey by a transport company [Rule 3(f)]

The value of any benefit or amenity resulting from the provision by any undertaking engaged in the carriage of passengers or goods to any employee of the undertaking or to members of his family or his dependent relatives, of journey free of cost or at concessional fares, in any conveyance owned by the undertaking for the purpose of transport of passengers or goods, shall be taken at 'nil'.

7) Free medical facilities :

The value of free medical facilities would, strictly speaking, be taxable as a perquisite in the case of employees who are directors or who have a substantial interest in the company or whose salary exceeds Rs. 18,000 in a year. But it has been laid down by the C. B. D. T. through their circular No. 33 (LXXVI-5) of 1955, dated 1st August, 1955 that the value of the following medical facilities will not be included in the total income of the recipient :—

- (i) Provision of ordinary medical facilities to the employee or his family free of charge;
- (ii) Re-imbursment of such medical expenses to the employee after they are incurred. If an employee gets a fixed medical allowance, it would be taxable as perquisite.

8) Refreshments during office hours :

Strictly speaking, the value of refreshments provided to the employees during office hours in office premises would be taxable as a perquisite. It has been laid down by the Board through their Circular No. 33 (LXXVI-5) of 1955 dated 1st August, 1955 that the value of refreshments provided to the employees during office hours in office premises will not be included in the total income of recipient.

The value of free lunches or free boarding by the employer will be treated as taxable perquisite in the case of following employees—

- (i) who is a director of the company; or
- (ii) who has a substantial interest in the company; or

- (iii) whose income under the head "salaries" exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds eighteen thousand rupees.

(9) Recreational facilities:

The value recreational facilities is, strictly speaking a taxable perquisite. But it has been laid down by the Board through their Circular No. 33 (LXXVI-5) of 1955 dated 1st August, 1955 that the value of recreational facilities for a group of employees (the facilities, should not, of course, be restricted to a selected few) will not be included in the total income of recipient.

(10) Free Household servants:

The value of free household servants provided by the employer to the employee will be calculated on the following adhoc basis as per Board's Circular No. 40/25/69-IT(AI) dated 12th January, 1970—

- (i) Sweeper —75% of actual wages or Rs. 60/-pm., whichever is less.
- (ii) Gardener—50% of actual wages or Rs. 60/-pm., whichever is less.
- (iii) Watchman-50% of actual wages or Rs. 60/-pm., whichever is less.

(11) Travel concession on home leave [s. 10(5)] :

With effect from assessment year 1975-76 the value of any travel concession or assistance received by or due to any person, being a citizen of India, from his employer for himself, and his family, in connection with his proceeding on leave to any place in India including after retirement or termination of his service is exempt from tax. This is, however, limited to the value of such sum as he would have received for proceeding to his home-district in India except in such cases and under such circumstances as may be prescribed by the Central Government.

The 'family' in relation to an individual, means (i) the spouse and children of the individual, and (ii) the parents, brothers and sisters of the individual, or any of them, wholly or mainly dependent on the individual.

(12) Holiday trips other than home-leave :

The provision at the cost of the employer of holiday trips to the employees or to the members of their family, other than passage money is a taxable perquisite in the hands of the following employee under section 17(2)(iii)—

- (i) who is a director of the company; or
- (ii) who has a substantial interest in the company; or
- (iii) whose income under the head "salaries" exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds Rs. 18,000.

(13) Free or concessional passage on home leave to employees of foreign nationality [s. 10(6)(i)]

Under section 10(6)(i) of the Income-tax Act, 1961, passage moneys or the value of any free or concessional passage received by or due to such individual from his employer for himself, his spouse and children, in connection with his proceeding on home leave out of India or for his children having full time education in educational institution outside India, in connection with their proceeding to India during vacation; or in connection with his proceeding to his home country out of India after retirement from service in India or after termination of such service, is exempt from tax subject to prescribed conditions.

(14) Perquisites and allowances outside India to a citizen of India [s. 10(7)]

Any allowances or perquisites paid or allowed as such outside India by the Government to a citizen of India for rendering service outside India is totally exempt.

(15) Gifts, testimonials and voluntary payments :

If the gift is not in any way related to services rendered or to be rendered by the employee, such gift would be personal and it will not be income. All types of voluntary payments by an employer for services rendered are taxable under section 15, but where the voluntary payments are made by an outsider as a testimonial or gift the same are exempt from tax.

(16) Value of perquisite in respect of maintenance of garden :

The payment by the employer of the wages of gardener employed for the proper upkeep of the house and garden belonging to the employer which is in the occupation of the employee is not taxable perquisite as per Board's Circular No. 122 [F. No. 200/3/73-I.T. (A)] dated 19th October, 1973.

(17) Other perquisites [s. 17(2) Rule 3(g)] :

The value of any other benefit or amenity granted or provided free of cost or at concessional rate by a company to its employee who is a director, or a person having a substantial interest in the company or a person whose salary in cash, exceeds Rs. 18,000 would be taxable as a perquisite. The value of these perquisites will be determined on such basis and in such amount as the Income-tax Officer considers fair and reasonable.

(18) Discharge of employee's obligations [s. 17(2)(iv)] :

Any sum paid by the employer in respect of any obligation which, but for such payment, would have been payable by the employee, is considered as perquisite in the hands of employee. Thus where the employee is a member of Lions Club and his subscription is paid by the employer, it would be considered as a taxable perquisite and added in the salary of the employee.

(19) Payment of life insurance premiums [s. 17(2)(v)] :

Any sum payable by the employer, whether directly or through a fund, other than a recognised provident fund or an approved superannuation fund, to effect an assurance on the life of the employee or to effect a contract for an annuity, would be added as perquisite to the salary of the employee.

(20) Compensation for loss of office [17(3)(i)] :

Any compensation due to or received by an employee from an employer or former employer at or in connection with the termination of employment or modification of its terms and conditions, is taxable as profits in lieu of salary. However, relief is provided by section 89(1) in respect of such compensation amounts.

(21) Payments from employer or former employer from provident fund [17(3)(ii)] :

Any payment due to or received by an assessee from an employer or former employer is taxable as profits in lieu of salary if it is related to employment. Similarly any payment due to or received by an assessee from a Provident fund or other fund (*not being an approved superannuation fund*) to the extent to which it does not consist of contributions by the assessee or interest on such contributions is taxable as profits in lieu of salary.

Exceptions—This section, however, excludes certain receipts by an employee as stated below (*and which are exempted from tax*) and which otherwise might have been taxable as salary :—

- (a) gratuity subject to a maximum [s. 10(10)];
- (b) commuted value of pension, subject to certain conditions [s. 10(10A)];
- (c) compensation received by a workman subject to certain conditions [s. 10(10B)];
- (d) any payment from a statutory provident fund to which the Provident Funds Act, 1925, applies [s. 10(11)];
- (e) the accumulated balance due and becoming payable to an employee participating in a recognised provident fund, to the extent provided in Rule 8 of Part A of the Fourth Schedule [s. 10(12)];

- (f) any payment from an approved superannuation fund made in lieu of or in commutation of an annuity, or by way of refund of contributions, or on the death of a beneficiary [S. 10(13)];
- (g) any special allowance specifically granted to an assessee by his employer to meet expenditure actually incurred on payment of rent to the extent provided in section 10(13A).

(22) Tax-free-Salary :

The payment of tax-free salaries to employees does not mean that such salaries are free from tax. Salaries are taxable and all other formalities regarding filing of return and the ultimate assessments are to be effected in the usual manner. The material difference is that the employer does not deduct any income-tax at source from the salary of such employees but pays the income-tax from his pocket on behalf of the employee as an additional benefit. For income-tax purpose, a sum is added to salary of the employee in such a way that the amount of income-tax applicable at the current rates on total income (*including the aforesaid addition to salary income*) If deducted from such total income will have a balance equal to the amount of salary actually received by the employee. The benefit is automatically taxed in the hands of employee but its burden is passed on to the employer.

If the employer pays without a contract, the tax paid by him would form a perquisite or an emolument of the office within the meaning of clause (iv) of sub-section 2 of section 17 and be chargeable under this head. If, on other hand; the tax is paid under a contract of employment, the very contract would constitute a remuneration at a higher salary than as represented by the actual sum received by the employee; and besides, the tax paid by the employer might be regarded as an emolument as in the previous instance, and in any case, would be income under the residuary head "Other Sources". [S. 56].

Under section 200 of the Companies Act, 1956, the payment of tax-free salary has been prohibited. But where an employee is entitled to tax-free salary by virtue of any provision in force immediately before the commencement of this Act, he would continue to get it tax-free for the residue of the term. Similarly, tax-free salary may be paid to a foreign technician in a case covered by sec. 10(6)(vii)(a)(ii) of this Act.

Example : The total net taxable income of Mr. X for the previous year ended on 31st March, 1979 is Rs. 12,000. His employer has undertaken to pay any amount of income-tax that may be assessed on him. Calculate the amount of tax payable by the employer.

Solution : Total salary income—Rs. 12,000.00
Income-tax and surcharge

on Rs. 12,000	Rs. 690-00
on Rs. 699	Rs. 119-02
on Rs. 119-02	Rs. 20-53
on Rs. 20-53	Rs. 3-54
on Rs. 3-54	Rs. 0-60
Total tax	Rs. 833-69
Total tax rounded off	Rs. 834

EXEMPTION AND ALLOWANCES :

(1) House Rent Allowance [s. 10(13)A] Rule 2-A

Where an employer grants any special allowance to his employees to meet expenditure actually incurred on payment of rent in respect of residential accommodation occupied by them, a relief is provided to such employees under section 10(13A) of the Income tax Act, 1961.

Rule 2 A of the Income tax Rules, 1962 provides that the amount which is not to be included in the total income of an assessee in respect of the special allowance referred to in clause (13-A) of section 10 shall be minimum of the following sums—

- (1) The actual amount of house rent allowance received by the assessee in respect of the relevant period;
- (2) Actual expenditure on rent in excess of 10% of the salary due to the assessee in respect of the relevant period;

- (3) (i) 20% of the salary due to the assessee in respect of relevant period, where the residential accommodation is situated at Agra, Ahmedabad, Amritsar, Bangalore, Bombay, Calcutta, Cochin, Coimbatore, Delhi, Hyderabad, Indore, Jabalpur, Jaipur, Kanpur, Lucknow, Madras, Madurai, Nagpur, Patna, Poona, Sholapur, Srinagar, Surat, Trivandrum, Vadodara (Baroda) or Varanasi (Banaras); and
- (ii) 10% of the salary due to the assessee in respect of the relevant period, where the residential accommodation is situated at any other place;
- (4) a sum calculated at the rate of Rs. 400 per month in respect of the relevant period.

For this purpose—

- (i) "Salary" includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites.
- (ii) "Relevant period" means the period during which the said accommodation was occupied by the assessee during the previous year.

Example-1 :

—Salary per month	Rs. 1,500
—Actual house rent allowance received from employer per month	Rs. 150
—Actual house rent paid per month	Rs. 150
As the actual rent paid does not exceed 10% of the salary, the employee is not entitled to any relief.	

Example-2 :

—Salary per month	Rs. 1,500
—Actual house rent allowance received from employer per month	Rs. 350
—Actual rent paid per month in respect of residential accommodation at Delhi	Rs. 350

The assessee will be entitled to the least of the following as deduction from his salary being relief in respect of house rent allowance—

(i) Actual house rent allowance received from the employer per month	Rs. 350
(ii) Actual expenditure on rent in excess of 10% of salary (Rs. 350—Rs. 150 being 10% of salary)	Rs. 200
(iii) 20% of the salary as the residential accommodation is situated at specified place	Rs. 300
(iv) Ceiling amount	Rs. 400

The least of the above is Rs. 200 which is the actual expenditure on rent in excess of 10% of the salary. Thus a relief of Rs. 200 per month is allowable in respect of house rent allowance received from the employer.

Example-3 :

—Salary per month	Rs. 1,500
—Actual house rent received from employer per month	Rs. 250
—Actual rent paid per month in respect of residential accommodation at Delhi	Rs. 450

The assessee is entitled to the least of the following as deduction from salary in respect of house rent allowance—

(i) Actual house rent allowance received from the employer per month	Rs. 250
(ii) Actual expenditure on rent in excess of 10% of salary (Rs. 450—Rs. 150 being 10% of the salary)	Rs. 300
(iii) 20% of the salary as the residential accommodation is situated at specified place	Rs. 300
(iv) Ceiling amount	Rs. 400

The least of the above is 250 which is the actual house rent allowance received from the employer. Thus a relief of Rs. 250 per month is allowable in respect of house rent allowance received from the employer

Example—4

—Salary per month	Rs. 2,500
—Actual house rent allowance received from employer per month	Rs. 750
—Actual rent paid per month in respect of residential accommodation at Delhi	Rs. 750

The assessee is entitled to the least of the following as deduction from salary being relief in respect of house rent allowance—

(i) Actual house rent allowance received from the employer per month	Rs. 750
(ii) Actual expenditure on rent in excess of 10% of salary (Rs. 750—Rs 250 being 10% of the salary)	Rs. 500
(iii) 20% of the salary as the residential accommodation is situated at specified place	Rs. 500
(iv) Ceiling amount	Rs. 400

The least of the above is Rs.400 which is the ceiling amount. Thus a relief of Rs. 400 per month is allowable in respect of house rent allowance received from the employer.

Example—5 :

—Salary per month	Rs. 1,500
—Actual house rent allowance received from the employer per month	Rs. 500
—Actual rent paid per month in respect of residential accommodation at Ghaziabad	Rs. 500

The assessee is entitled to the least of the following as deduction from salary being relief in respect of house rent allowance—

(i) Actual house rent allowance received from the employer per month	Rs. 500
(ii) Actual expenditure on rent in excess of 10% of the salary (Rs.500—Rs.150 being 10% of the salary)	Rs. 350
(iii) 10% of the salary as the residential accommodation is situated at an unspecified place	Rs. 150
(iv) Ceiling amount	Rs. 400

The least of the above is Rs. 150 which is 10% of the salary as the residential accommodation is situated at a place which is not specified. Thus a relief of Rs. 150 per month is allowable in respect of house rent allowance received from the employer.

(2) Conveyance allowance [Section 10(14)] :

Under section 10(14), any special allowance or benefit, (*not being in the nature of an entertainment allowance or other perquisite within the meaning of clause (2) of section 17 or an allowance to meet his personal expenses at the place of his office or employment of profit or at the place where he ordinarily resides*) is exempt from tax, if specifically granted to meet expenses wholly necessarily and exclusively incurred in the performance of the duties of an office or employment of profit, to the extent to which such expenses are actually incurred for that purpose. The case of fixed conveyance allowances, seems to be covered under section 10(14) of the Income-tax Act, 1961 and the entire amount received by the employee appears to be totally exempt provided the amount is actually expended to that extent by the employee.

Where it is not possible to maintain elaborate records to show the actual expenditure incurred on the maintenance of conveyance the alternative remedy is that he should obtain a certificate from the employer stating that the cost of running and maintenance was not less than the specified amount [Refer Board Circular No. 23 (LVIII-8) of 1956, dated 9th July, 1956]

The conveyance allowance is taken into account by the employer in calculating the amount of tax to be deducted at source and subsequently the employee concerned is required to prove his claim and to claim refund on account of excess tax so deducted at source. As per Board's Order No. F. 35/2/68-IT (AI), dated 15th November, 1972, it has been directed that the employer should exclude from the salary of the employee that part of the conveyance allowance which is equal to the amount that had been treated as exempt under section 10 (14) by the Income-tax Officer in the last completed assessment of the employee. If the employee claims to have spent during the year in regard to which the tax is to be deducted at source a larger portion of conveyance allowance than had been allowed in the last completed assessment year, a further deduction may be claimed by such employee at the time of regular assessment.

(3) Standard deduction in respect of expenditure incidental to employment [Section 16 (i)] :

Where an employee is not in receipt of a conveyance allowance, or where he is not provided with any motor cycle, scooter or other moped by his employer (*otherwise than wholly and exclusively in the performance of his duties*) or where he is not allowed to use any one or more motor cars (*otherwise than wholly and exclusively in the performance of his duties*) out of a pool of motor cars owned or hired by the employer, he will be entitled to the following deduction.

- | | |
|--|---|
| (a) Where the salary derived from such employment does not exceed Rs. 10,000 | 20 per cent. of such salary; |
| (b) Where the salary derived from such employment exceeds Rs. 10,000. | Rs. 2,000 <i>plus</i> 10 per cent. of the amount by which such salary exceeds Rs. 10,000. |
| | or |
| | Rs. 3,500 whichever is less. |

For this purpose, the term "salary" will include fees, commission, perquisites or profits in lieu of or in addition to salary, but will not include any payments received by the employee which are exempt from tax under clauses (10), (10A), (11), (12) and (13A) of section 10 of the Income-tax Act, 1961.

The standard deduction on the above basis is to be allowed irrespective of whether any expenditure incidental to employment is actually incurred by the employee or not.

It may be noted that the use of a motor car by the employee for the purposes of going from residence to the place where the duties of employment are to be performed or from such place back to his residence will not be regarded as use of the motor car in the performance of his duties.

Where an employee is in receipt of a conveyance allowance or is provided with a motor car, motor cycle, scooter or other moped by his employer for use (*otherwise than wholly and exclusively in the performance of his duties*) or is allowed to use any one or more motor cars (*otherwise than wholly and exclusively in the performance of his duties*) out of a pool of motor cars owned or hired by the employer, the deduction under this section shall be limited to Rs. 1,000 only.

(4) Entertainment allowance [s. 16(ii)]

Under Section 16(ii), any allowance in the nature of an entertainment allowance specifically granted to the assessee by his employer, is allowed as a deduction subject to the conditions and limits mentioned hereunder :—

- (a) in the case of Government employees, the entertainment allowance should not exceed a sum equal to one-fifth of the salary (*exclusive of any allowance benefit or other perquisite*) or five thousand rupees, whichever is less ; and
- (b) in the case of other employees (including employees of statutory corporation and local authorities), the deduction for entertainment allowance will be allowed if such allowance has been regularly and continuously received by the employee from their present employer before the 1st day of April, 1955. The amount of deduction allowable in respect of such allowance to this category of employees will be the least of the following—
 - (a) the actual amount of allowance drawn before 1st April, 1955;
 - (b) one-fifth of salary exclusive of any allowance, benefit or other perquisite;
 - (c) actual amount of the entertainment allowance drawn during the previous year relevant to the assessment year; or
 - (d) Rs. 7,500.

The reimbursement of entertainment expenses incurred by an employee for the purpose of his duties are not to be included in the employee's salary.

(5) Remuneration to ambassadors etc. [s. 10(6)(ii)] :

The remuneration received by a foreigner as ambassador, high commissioner, envoy, minister, *charge d' affaires*, commissioner, counsellor or the secretary, adviser or attache of an embassy, high commission of a foreign State, for service in such capacity, *totally exempt*.

(6) Remuneration to consul de carriere etc. [s. 10(6)(iii)] :

The remuneration received by foreigner as a consul de carriere, whether called a consul-general, consul, vice-consul, consular agent, pro-consul or by any other name, of a foreign State, for service in such capacity, *totally exempt*.

(7) Remuneration to trade commissioner, etc. [s. 10(6) (iv)] :

The remuneration received by a foreigner as a trade commissioner or other official representative in India of the Government of a foreign State (not holding office as such in an honorary capacity). If the remuneration of the corresponding officials, if any, of the Government resident for similar purposes in the country concerned enjoys a similar exemption in that country, *totally exempt*.

(8) Remuneration to staff of ambassador, consul de carriere, trade commissioner etc. [s. 10(6)(v)] :

The remuneration received by a foreigner as a member of the staff of any of the officials referred to in clause (ii), (iii) or clause (iv) of s. 10(6), if the member—

- (a) is a subject of the country represented;
- (b) is not engaged in any business or profession or employment in India otherwise than as a member of such staff; and further, where the individual is a member of the staff of any official referred to in clause (iv), if the country represented has made corresponding provisions for similar exemptions in the case of members of the staff of the corresponding officials of the Government, *totally exempt*.

(9) Remuneration received by employees of foreign enterprise [s. 10(6)(vi)] :

The remuneration received by a foreigner as an employee of a foreign enterprise for services rendered by him during his stay in India, provided the following conditions are fulfilled:—

- (a) the foreign enterprise is not engaged in any trade or business in India;
- (b) his stay in India does not exceed in the aggregate a period of ninety days in such previous year; and
- (c) such remuneration is not liable to be deducted from the income of the employer chargeable under this Act, *totally exempt*.

(10) Remuneration received by employees or consultant from an association established for philanthropic purpose [s. 10 (6) (via)] :

The remuneration received by employee, or a consultant to an institution or association

or a body established or formed outside India solely for philanthropic purposes, for services rendered by him in India in connection with such purposes, provided that such institution or association or body and the purposes for which his services are rendered in India are approved by the Central Government, totally exempt.

(11) Foreign technician employed in India before 1st April, 1971 [s. 10(6) (vii)] :

The remuneration of a foreign technician employed in India from a date prior to 1st day of April, 1971 is *exempt* from tax provided he is not a resident in India in any of the four financial years immediately preceding the financial year of his arrival in India to the following extent :—

- (i) where the technician has special knowledge and experience in industrial or business management techniques, such remuneration due to or received by him during the period of six months commencing from the date of his arrival in India, is *exempt* from tax provided his contract of service is approved by the Central Government before the commencement of his service or within one year of such commencement;
- (ii) where the technician has specialised knowledge and experience in constructional or manufacturing operations, or in mining or in the generation or distribution of electricity or any other form of power, the remuneration due to or received by him during the period of thirty-six months commencing from the date of his arrival in India, is *exempt* from tax provided his contract of service is approved by the Central Government before the commencement of his service or within one year of such commencement. In a case where such approval is not obtained, the exemption is available only for a period of 365 days from the date of his arrival in India. Where further approval is obtained before the 1st October of the relevant assessment year and the employer has undertaken to pay tax on the income of such employee, the tax so paid by the employer, shall be exempt as income in the employee's hand for a period not exceeding sixty months following the expiry of the said thirty-six months.

(12) Foreign technician employed in India after 31st March 1971 [s. 10(6) (viiia)] :

The remuneration of a foreign technician employed in India from a date after the 31st day of March, 1971 and having a specialised knowledge and experience in constructional or manufacturing operations, or in mining or in the generation of electricity or any other form of power, or in agriculture, animal husbandry, dairy farming, deep sea fishing or ship building, is exempt to the following extent :—

- (i) such remuneration as does not exceed an amount calculated at the rate of Rs. 4,000 per month during the period of twenty-four months from the date of his arrival in India, and where the remuneration is paid in excess of the said amount calculated at the rate of Rs. 4,000 per month and the tax on such excess is paid by the employer, the tax so paid by the employer would not be treated as perquisite in the hands of the technician.
- (ii) where the period of employment in India is extended beyond twenty-four months with the previous approval of the Central Government obtained before 1st October of the relevant assessment year and the tax on his salary is paid by the employer, the tax so paid would also be exempt for a period not exceeding 24 months next following the expiry of the first-mentioned twenty-four months.

The above exemption is subject to the condition that the technician should not have been resident in India (as defined under section 6(1)) in any of the four financial years immediately preceding the financial year of his arrival in India and also that his contract of service in India is approved by the Central Government, the application for such approval having been made to the Government before the commencement of such service or with-in six months of such commencement.

In the case of a foreign technician who is employed in India for designing, erection or commissioning of machinery or plant or for supervising activities connected therewith, the Central Government may waive the condition of non-residence in the immediately preceding four financial years.

(13) Salary to non-resident employed on a foreign ship [s. 10(6) viii)] :

The salary income of a non-resident employee of a foreign ship is *exempt* from tax provided his total stay in India does not exceed in aggregate a period of ninety days in the previous year.

(14) Salary to non-resident professor or other teacher [s. 10(6) (ix)] :

The salary income of a foreign professor/teacher employed in university or other educational institution in India is *exempt* from tax for a period of thirty-six months from the date of his arrival in India, and where such employee continues to remain in employment in India after the expiry of thirty-six months aforesaid and the tax on the salary is paid by his employer, the tax so paid for a period not exceeding twenty-four months following the expiry of the said thirty six months, is *also exempt* from tax in the hands of such employee. This exemption is subject to the conditions that the employee should not be resident in any of the four financial years immediately preceding the financial year of his arrival in India and his contract of service must be approved by the Central Government—

- (a) on or before the 1st day of October, 1964, in the case of a professor or other teacher whose services commenced before the 1st day of April, 1964;
- (b) before the commencement of his service or within one year of such commencement, in any other case.

(15) Salary of foreign research scholar [s. 10(6)(x)] :

The remuneration of a non-citizen research scholar for undertaking any research work in India during a period of twenty-four months from the date of his arrival in India, is *exempt* from tax provided that the research scheme in connection with which the research work is undertaken, is approved by the Central Government on or before the 1st day of October of the relevant assessment year and that such remuneration of the research worker must be paid directly or indirectly by the Government of a foreign State or any institution or association or other body established outside India.

(16) Remuneration of foreign Government officers during training period in public Sector [s. 10(6) (xi)]

The remuneration received by a person as an employee of the Government of foreign State during his stay in India in connection with his training in any establishment or office of or in any undertaking owned by:—

- (i) the Government; or
- (ii) any company in which the entire paid-up share capital is held by the Central Government, or any State Government or Governments, or partly by the Central Government any partly by one or more State Government: or
- (iii) any company which is a subsidiary of a company referred to in item (ii); or
- (iv) any corporation established by or under a Central, State or Provincial Act; or
- (v) any society registered under the Societies Registration Act, 1860, or under any other corresponding law for the time being in force and wholly financed by the Central Government, or any State Government or State Governments or partly by the Central Government and partly by one or more State Governments. is exempt from tax

(17) Income of an employee of the Government of a foreign State [s. 10(8)] :

The employees of the Government of a foreign State assigned to duties in India in connection with any co-operative technical assistance programmes and projects based on agreements between the Central Government and the Government of such foreign State, enjoy exemption from tax on their remuneration received from such foreign State if the terms of the agreement provide for such exemption:

(18) Income of the family members of the individual technically assisting in India [s. 10(9)] :

The income of any member of the family of any such individual as is referred to in section 10(8) accompanying him to India which accrues or arises outside India, and is not deemed to accrue or arise in India, in respect of which such member is required to pay any income or social security tax to the Government of that foreign State, *totally exempt*.

(19) Commutation of pension [s. 10 (10-A)] :

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Any payment in a commutation of pension received under the Civil Pensions (Commutation) Rules of the Central Government or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (*such member or holders being persons not governed by the said Rules*) or to the members of the all-India services or to the members of the defence services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of local authority or a corporation established by a Central, State or provincial Act, *totally exempt*.

Any payment in commutation of pension received under any scheme of any other employer, is exempt to the extent it does not exceed—

- (a) in a case where the employee received any gratuity, the commuted value of one-third of the pension which he is normally entitled to receive, and
- (b) in any other case, the commuted value of one-half of such pension, such commuted value being determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognised tables of mortality;

(20) Payment from provident fund [s. 10 (11)] :

Any payment from a provident fund to which the Provident Funds Act, 1925 applies or from any other provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette, is *exempt*.

(21) Accumulated balance of recognised provident fund [s. 10 (12)] :

the accumulated balance due and becoming payable to an employee participating in a recognised provident fund to the extent provided in rule 8 of part 'A' of the Fourth Schedule, *totally exempt*.

(22) Payment from approved superannuation fund [s. 10 (13)] :

Any payment from an approved superannuation fund made on the death of a beneficiary; or to an employee in lieu of or in commutation of an annuity on his retirement at or after a specified age or on his becoming incapacitated prior to such retirement; or by way of refund of contribution on the death of a beneficiary; or by way of refund of contributions to an employee on his leaving the service in connection with which the fund is established otherwise than by retirement at or after a specified age or on his becoming incapacitated prior to such retirement, to the extent to which such payment does not exceed the contributions made prior to the commencement of this Act and any interest thereon, *totally exempt*.

(23) Gratuity and terminal payments [s. 10 (10)] :

(i) Death-cum-retirement gratuity received by Government employee:

The death-cum-retirement gratuity received by all categories of Central Government employees, State Government employees and local authority employees *totally exempt*.

(ii) Gratuity under the Payment of Gratuity Act, 1972 :

The entire amount of gratuity received by an employee under the Payment of Gratuity Act, 1972 is *totally exempt* with effect from assessment year 1975-76. Sub-sections (2) and (3) of sec. 4 of the Payment of Gratuity Act, 1972 provide for the payment of minimum gratuity to an employee at the rate of 15 days wages for each year of completed service based on wages last drawn by the employee subject to a maximum of 20 months wages.

Upto and for the assessment year 1974-75 these employees were entitled to the exemption from tax of the gratuity to the following extent :—

- (a) One-half month's salary for each year of completed service; or
- (b) 15 month's salary; or
- (c) Rs. 24,000, whichever is less.

The average salary is to be calculated on the basis of the average salary for three calendar years immediately preceding the year in which the gratuity was paid. Salary for that purpose includes only the periodical payments made to the employee by the employer as

compensation for his services. Any payments made to the employee by the employer by way of allowances or perquisites or any payment in the nature of gratuity or bonus should not, therefore, be taken into consideration as salary for the purpose of aforesaid provision.

(iii) Any other gratuity :

It refers to the gratuity received by an employee (not covered above) on his retirement or on his becoming incapacitated prior to such retirement or on termination of his employment or any gratuity received by his widow, children or dependants on his death. The amount of exempt gratuity is as under :—

Assessment year 1974-75	Assessment year 1975-76 and thereafter
(a) One-half month's salary for each year of completed service; or	(1) One-half month's salary for each year of completed service, or
(b) 15 month's salary; or	(2) 20 month's salary; or
(c) Rs. 24 000; whichever is less.	(3) Rs. 30,000; whichever is less.
Note :	Note :
1. Salary is to be calculated on the basis of the average salary for the three calendar years immediately preceding the year in which the gratuity is paid.	1. Salary is to be calculated on the basis of the average salary for the three calendar years immediately preceding the year in which the gratuity is paid.
2. Salary for this purpose includes only the periodical payments made to the employee by the employer as compensation for his services but excludes all other allowances, perquisites; bonus and gratuity [C.B.D.T. Circular No. 4P (LVIII 22) F. No. 1 (2) 63/TPL, dated 6th August, 1964].	2. Salary for this purpose, includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites [Rule 2 (h) of part 'A' of the Fourth Schedule of Income-tax Act, 1961].
	3. Where an employee who has received any gratuity in any earlier year from his former employer or employers, received gratuity from his present employer in a later year, the ceiling limit of Rs. 30,000 will be reduced by the amount of gratuity which has been exempted in any earlier year or years.

Example 1.

Mr. X an employee retired from private service on 30th April, 1978 after completing 45 years of service. He had received Rs. 40,000 as gratuity. He is not covered under the Payment of Gratuity Act, 1972. His average salary in the last three calendar years was Rs. 21,000. Calculate the exempt amount of gratuity.

Solution :

—The amount of gratuity exempt from tax u/s 10(10) is the least of the following :	
—Actual amount received	Rs. 40,000
—One-half month salary for each year of completed service [$\frac{1}{2} \times 45 \times 1,750$]	Rs. 39,375
—20 month's salary (20X1,750)	Rs. 35,000
—Ceiling amount	Rs. 30,000

In the instant case, Rs. 30,000 is the least amount which is the ceiling amount, as such, the gratuity received to the extent of Rs. 30,000 would be exempt from tax and the balance of Rs. 10,000 will be taxable.

Mr. Y an employee retired from private service on 30th April, 1978 after completing 45 years of service. He had received Rs. 25,000 as gratuity. He is not covered under the Payment of Gratuity Act, 1972. His average salary in the last three calendar years was Rs. 14,400. Calculate the exempt amount of gratuity.

Solution :

- The amount of gratuity exempt from tax u/s 10(10) is the least of the following :
- Actual amount received Rs. 25,000
- One-half month salary for each year of completed services [$\frac{1}{2} \times 45 \times 1,200$] Rs. 27,000
- 20 months' salary ($20 \times 1,200$) Rs. 24,000
- Ceiling amount Rs. 30,000

In the instant case, Rs. 24,000 is the least amount which is the 20 months salary as such, the gratuity received to the extent of Rs. 24,000 would be exempt from tax and the balance of Rs. 1,000 will be taxable.

Example—3

Mr. Z an employee retired from private service on 30th April, 1978 after completing 18 years of service. He had received Rs. 12,000 as gratuity. He is not covered under the Payment of Gratuity Act, 1972. His average salary in the last three calendar years was Rs. 14,400. Calculate the exempt amount of gratuity.

Solution :

- The amount of gratuity exempt from tax u/s 10(10) is the least of the following :
- Actual amount received Rs. 12,000
- One-half month salary for each year of completed service ($\frac{1}{2} \times 18 \times 1,200$) Rs. 10,800
- 20 months' salary ($20 \times 1,200$) Rs. 24,000
- Ceiling amount Rs. 30,000

In the instant case, Rs. 10,800 is the least amount which is the one-half month's salary for each year of completed service, as such, the gratuity received to the extent of Rs. 10,800 would be exempt from tax and the balance of 1,200 will be taxable.

Example—4

Mr. M, an employee, retired from private service on 30th April, 1978 after completing 30 years of service. He had received Rs. 15,000 as gratuity. He is covered under the Payment of Gratuity Act, 1972.

Solution :

The entire amount of gratuity received is exempt from tax since the assessee is covered under the Payment of Gratuity Act, 1972.

(24) Relief when gratuity paid in excess of exempt amount [S. 89 (1)] :

This relief is admissible only when the payment by way of gratuity is made in respect of past services of atleast five years of the assessee.

The relief admissible u/s 89 (1) read with Rule 21-A shall be worked out as under :—

(a) where the payment by way of gratuity is made in respect of past services of the assessee extending over a period of not less than five years but less than fifteen years :

(i) Add half of the amount of gratuity in the total income of each of the two years preceding the previous year in which the payment of gratuity is made.

- (ii) Find out the average rate of tax on the basis of the increased total income [as computed in clause (i)] of these two years.
- (iii) Add up the average rate of tax of these two years and divide the result by two in order to find out the average of these two average rates of tax.
- (iv) Find out the average rate of tax applicable to the total income of the year in which the payment by way of gratuity is received.
- (v) From the average rate of tax arrived at as in (iv), deduct the average of two average rates of tax as worked out in (iii) above.
- (vi) The relief under section 89 (1) is at the average rate as computed in (v) on the amount of gratuity included in the total income of the previous year.

Example—I

Mr. A, an employee, has retired from private service on 31st March, 1978 after completing 10 years of service. He had received Rs. 15,000 as gratuity. He is not covered under the Payment of Gratuity Act. 1972. His average salary in the last three calendar years was Rs. 24,000. His total income in the immediately preceding two years were as under.

Assessment years

1976-1977

1977-1978

Total Income

Rs. 25,000

Rs. 30,000

Solution :

The amount of gratuity exempt under section 10(10) is the least of the following :

—Actual amount received	Rs. 15,000
—One-half month salary for each year of completed service [1/2X10X2,000]	Rs. 10,000
—20 months, salary	Rs. 40,000
—Ceiling amount	Rs. 30,000

In the instant case Rs. 10,000 is the least amount, hence Rs. 10,000 will be exempt from tax and the balance Rs. 5,000 will be included in total income.

Now the relief u/s 89 (1) will be computed as under :—

The average rate of tax for each of the two preceding years after adding one-half of the amount of taxable gratuity will be as under :—

(i)&(ii) Assessment year	Taxable Income	Tax	Average rate
1976-1977	Rs. 25,000 – 2,500 = 27,500	5159	18.76%
1977-1978	Rs. 30,000 – 2,500 = 32,500	6555	20.17%

(iii) The average of two average rates will be.

$$\frac{18.76 + 20.17}{2} = 19.46\%$$

(iv) Income for A.Y. 1978-79

Income from salary		Rs. 30,000
Other income		Rs. 7,000
Gratuity received	Rs. 15,000	
Less—Amount exempt u/s 10 (10)	Rs. 10,000	Rs. 5,000
		Rs. 42,000
Less—Deduction u/s 80 (C) [Allowable L.I.P. etc.]		Rs. 2,000
		Rs. 40,000
	Taxable income	
	Tax due	Rs. 10,005
Average rate of tax applicable to total income		25%
Less—Average of two average rates of the preceding two years		19.46%
	Rate of relief	5.54%

(vi) *The relief in tax under section 89 (1)*

On the amount of gratuity included in the total income for assessment year 1978-79 will be $5,000 \times 5.54\%$ Rs. 277-40

- (b) where the payment by way of gratuity is made in respect of past services of the assessee extending over a period of not less than fifteen years.
- (i) Add $\frac{1}{3}$ of the amount of gratuity in the total income of each of the three years preceding the previous year in which the payment of gratuity is made.
 - (ii) Find out the average rate of tax on the basis of the increased total income [as computed in clause (i)] of these three years.
 - (iii) Add up the average rate of tax of these three years and divide the result by three in order to find out the average of these three average rates of tax.
 - (iv) Find out the average rate of tax applicable to the total income of the year in which the payment by way of gratuity is received.
 - (v) From the average rate of tax arrived at as in (iv) deduct the average of three average rates of tax as worked out in (iii) above.
 - (vi) The relief under section 89 (1) is at the average rate as computed in (v) above on the amount of gratuity included in total income of the previous year.

25) Retrenchment compensation [S. 10(10B)]:

With effect from assessment year 1976-77 the retrenchment compensation received by a workman under the Industrial Disputes Act 1947 or under any other Act or under any rule, order or notification issued under any law, as also retrenchment compensation received by a workman under any award, contract of service or otherwise will be exempt to the extent of the amount calculated in accordance with the provisions of section 25F (b) of the Industrial Disputes Act, 1947, or Rs. 20,000 whichever is less.

The expressions "employer" and "workman" shall have the same meaning as in the Industrial Disputes Act, 1947.

Under the following circumstances, the compensation received by a workman shall be deemed as retrenchment compensation:—

- (a) at the time of the closing down of the undertaking in which he is employed;
- (b) at the time of transfer (*whether by agreement or by operation of law*) of the ownership or management of the undertaking in which he is employed from the employer in relation to that undertaking to a new employer if—
 - (i) the services of the workman has been interrupted by transfer ; or
 - (ii) the terms and conditions of service applicable to the workman after such transfer are in any way less favourable to the workman than those applicable to him immediately before the transfer; or
 - (iii) the new employer is, under the terms of such transfer or otherwise, legally not liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.

DEDUCTIONS AND RELIEFS**(1) Life insurance premium, provident fund etc. [Sec. 80-C]**

Section 80-C of the Income-tax Act, 1961 provides tax relief through deduction of certain payments from the gross total income in respect of the following sums paid in the previous year by the assessee out of his income chargeable to income-tax:—

- (i) premiums paid in order to effect or to keep in force an insurance on the life of the assessee or on the life of the spouse or any child of the assessee (*in the case of H.U.F. any member of the family*) subject to 10% of the capital sum assured for each policy;

- (ii) any sum paid in order to effect or to keep in force a contract for a deferred annuity on the life of the assessee or on the life of the spouse or any child of the assessee.
- (iii) contributions to recognised provident fund not exceeding 20% of the salary or Rs. 10,000/- whichever is less. For this purpose "salary" includes dearness allowances if the terms of employment so provide, but excludes all other allowances and perquisites (*Rule 2 (h) of part A of Fourth Schedule*);
- (iv) subscriptions to Public Provident Fund Scheme, 1968.
- (v) deposits in a ten year or fifteen year account under the Post Office Savings Bank (*Cumulative Time Deposits*) Rules, 1959; and
- (vi) contributions for participating in the Unit-linked Insurance plan, 1971 of the Unit Trust of India.

Qualifying amounts : The maximum limit qualifying for deduction in respect of the aggregate of the above sums under section 80-C is specified below :—

- (a) 30% of the gross total income; or
- (b) Rs. 30,000/- or
- (c) the amount actually paid; whichever is the least.

Amount of deduction : The percentage of deduction in respect of aforesaid qualifying amount is as follows :

	A.Y. 1978-79	A.Y. 1979-80
(a) on the first Rs. 4,000	@ 100%	@ 100%
(b) on the next Rs. 1,000 -	@ 50%	@ 100%
(c) on the next Rs. 5,000/-	@ 50%	@ 50%
(d) on the balance of qualifying amount	@ 40%	@ 40%

Deduction in respect of investment in certain new shares [Sec. 80CC]

This section applies where—

- (1) the assessee is an Individual, or Hindu undivided Family, or an association of persons or body of individuals consisting only of husband and wife governed by the system of community of property in force in the union territories of Dadra and Nagar Haveli and Goa, Daman and Diu.
- (2) such person acquired any equity shares forming part of an eligible issue of capital. An eligible issue of capital means an issue of equity shares which satisfies the following conditions.
 - (a) the issue is made by a public company formed and registered in India with the main object of carrying on the business of (i) construction, manufacture or production of any article or thing not being an article or thing of low priority specified in the list in the Eleventh Schedule to the Income-tax Act or (ii) providing long term finance for construction or purchase of house in India for residential purpose and such company is approved by the Central Government for this purpose
 - (b) the issue is an issue of capital made by the company for the first time.
 - (c) the shares forming part of the issue are offered for public subscription.
 - (d) such other conditions as may be prescribed under rules framed by the Central Board of Direct Taxes.

In the case of a company which had originally been incorporated as a private company but has become a public company under the provisions of the Companies Act, 1956, an issue of equity shares made by it for the first time after it has become a public company will not be regarded as an eligible issue of capital, if—

- (i) such company had declared, distributed or paid any dividend when it was a private company, or
- (ii) any of the shares forming part of such issue is offered for subscription at a premium

- (3) The Tax payers is required to hold these shares for a period of five years from the date of their purchase. If the taxpayer sells or otherwise transfers these shares to any person within a period of 5 years from the date of their purchase then the deduction allowed under this section will be forfeited.

Deduction permissible

(For assessment year 1979-80 and subsequent years)

A sum equal to 50% of the cost of such shares so purchased or Rs. 5,000 which ever is less.

Note— Where a deduction is claimed and allowed under the provisions of this section then the cost of such shares shall not be taken into account for the purchases under section 54E.

(2) Donations to charitable institutions. [Sec. 80-G]

with effect from assessment year 1977-78 an employee will be entitled to a deduction at the rate of 100% of the qualifying amount in respect of donations made to government, approved local bodies and organisations for promoting family planning and 50% of the qualifying amount in respect of donations made during the previous year to the following :—

- (i) the National Defence fund set up by the Central Government; or
- (ii) the Jawahar Lal Nehru Memorial Fund; or
- (iii) the Prime Minister Drought Relief Fund; or
- (iv) any other fund or any institution to which section 80-G applies; or
- (v) the Government or any local authority to be utilised for any charitable purpose other than the purpose of promoting family planning; or
- (vi) for the renovation or repairs of any such temple, mosque, gurdwara, church or other place as notified by the Central Government in Official Gazette to be of historic, archaeological or artistic importance or to be a place of public worship of renown throughout any State or States.

No deduction shall be allowed if the aggregate of donations referred to above is less than Rs. 250

The maximum amount of donation qualifying for deduction should not exceed 10% of the taxable income or Rs. 2,00,000 [*Rs. 5,00,000 w.e.f. A.Y. 1978-79*] whichever is less. The aforesaid maximum limit does not apply to donations made to the National Defence Fund, Jawaharlal Nehru Memorial Fund or the Prime Minister's Drought Relief Fund. The donations made to the J. L. Nehru Memorial Fund, etc. are to be excluded in calculating the maximum limit in the case of other donations.

(3) Deduction in respect of rents paid, [Sec. 80-GG, read with rule 11-B]

Where an assessee, not being an employee who is in receipt of house rent allowance under section 10(13A) of the income-tax Act, 1961, has taken on rent a residential accommodation, which is not owned by him, his spouse, minor children, Hindu Undivided family of which he is a member in any one of the places namely Agra, Ahmedabad, Allahabad, Amritsar, Bangalore, Bombay, Calcutta, Cochin, Coimbatore, Delhi, Hyderabad, Indore, Jabulpur, Jaipur, Kanpur, Lucknow, Madras, Madurai, Nagpur, Patna, Poona, Sholapur, Srinagar, Surat, Trivendrum, Vadodara, (Baroda), Varanasi (Banaras) and pays rent in excess of 10% of his total income before deduction under this section, then he will be entitled to the following deductions:—

- (a) Rent paid in excess of 10% of the total income before deduction under this section.

or

- (b) 15% of the total income before deduction under this section.

or

- (c) Rs. 300/- per month, which ever is less.

(4) Educational expenses in case of resident non-Indian citizens [Sec. 80-F]

Where an individual, being a resident, who is not a citizen of India, has spent any sum in the year out of his income chargeable to tax for full time education of his dependent child of not more than 21 years of age, at any university, college, school or other educational institution outside India, he shall be allowed a deduction of Rs. 1,500 for one such child and Rs. 3,000 in respect of two or more children.

(5) Deduction in respect of expenses on higher education [Sec. 80FF]

With effect from assessment year 1976-77, an Indian citizen whose gross total income (*without taking into account the deductions provided under Chapter VIA of the Income-tax Act*) does not exceed Rs. 12,000, will be entitled to a deduction in respect of any expenditure incurred by him out of his income chargeable to tax on the full time education of any of his dependent (i.e., child, brother or sister wholly or mainly dependent on him). The deduction will be allowed of an amount equal to Rs. 1,000 in respect of a dependent attending a degree or post graduate course in medicine including surgery and obstetrics or architecture or engineering or technology or business management and Rs. 500 in respect of a dependent attending any other degree or post graduate course, or attending a diploma course in the above said subjects. The above said deduction will be allowed only in respect of two such dependents.

(6) Remuneration received from foreign employers [S. 80RRA]

With effect from assessment year 1978-79, a resident Indian citizen receiving remuneration foreign currency from the Government of a foreign State or a foreign enterprise or any association or body established outside India or an Indian concern for any services rendered by him outside India will be entitled to a deduction. In the computation of his total income, of an amount equal to fifty per cent. of such remuneration. This deduction will be allowed only in the case of Government employees and technicians. In the case of a Government employee, this deduction will be allowed where his service under or for the Government of the foreign State or the foreign enterprise or the association or body is sponsored by the Central Government. In the case of a technician in the employment of any other employer, the deduction will be allowed only in cases where the contract of service with the Government of the foreign State or the foreign enterprise or the association or body is approved by the Central Government or the prescribed authority. For the purposes of this section, "technician" will mean a person having specialised knowledge and experience in—

- (i) constructional or manufacturing operations or mining or the generation or distribution of electricity or any other form of power; or
- (ii) agriculture, animal husbandry, dairy farming, deep sea fishing or ship building; or
- (iii) public administration or industrial or business management; or
- (iv) accountancy; or
- (v) any field of natural or applied science (*including medical science*) or social science; or
- (vi) any other field which the Board may prescribe in this behalf.

who is employed by the foreign employer in a capacity in which such specialised knowledge and experience are actually utilised.

No deduction under this section will be allowed in respect of the remuneration received for service rendered with the Government of the foreign State or the foreign enterprise or the association or body established outside India beyond a period of thirty-six months.

(7) Totally blind or physically handicapped resident persons [S. 80U]

In computing the total income of an individual, being a resident who, as at the end of the previous year, is totally blind, or is subject to or suffers from a permanent physical disability (*other than blindness*) which has effect or reducing substantially his capacity to engage in a gainful employment or occupation, there shall be allowed a deduction of a sum equal to Rs. 5,000:

Provided that such individual produces before the Income-tax Officer, in respect of the first assessment for which deduction is claimed under this section, a certificate as to his total blindness from a registered medical practitioner being an oculist and in the case of permanent physical disability a certificate of such disability from a registered medical practitioner.

(8) Deduction of interest on moneys borrowed to pay taxes [S. 80V]

With effect from assessment year 1976-77 any interest paid on money borrowed for the payment of any tax due from him under this Act shall be allowed as straight deduction from the gross total income.

(9) Deduction in respect of expenses incurred in connection with certain proceedings under the Act. [S. 80VV]

With effect from assessment year 1976-77 any expenses incurred by an assessee in the previous year on any tax proceedings under the Income-tax Act before any income tax authority or the Appellate Tribunal or any court are to be allowed as straight deduction from the gross total income subject to a ceiling of Rs. 5 000.

COMPULSORY DEPOSIT SCHEME

The salaried persons are required to pay compulsory deposit if their current income exceeds Rs. 15,000. "Current income" means taxable income [exclusive of capital gains and winning from lotteries, races and cross-word puzzles as is referred to in section 2(24) of the Income-tax Act, 1961] and as increased by agricultural income. The compulsory deposit is payable at the following rates.

	Assessment Year 1975-76 & 1976-77	Assessment Year 1977-78 & 1978-79	Assessment Year 1979-80
1. where the current income exceeds Rs. 15,000 but does not exceed Rs. 25,000	4% of the current income.	4% of the current income.	4% of the current income.
2. where the current income exceeds Rs. 25,000 but does not exceed Rs. 35,000	Rs. 1000 plus 6% of the amount by which the current income exceeds Rs. 25000	Rs. 1000 plus 10% of the amount by which the current income exceeds Rs. 25000	Rs. 1125 plus 11% of the amount by which the current income exceeds Rs. 25,000
3. where the current income exceeds Rs. 35,000 but does not exceed Rs. 70,000	Rs. 1600 plus 6% of the amount by which the current income exceeds Rs. 35000	Rs. 2000 plus 10% of the amount by which the current income exceeds Rs. 35000	Rs. 2225 plus 12.5% of the amount by which the current income exceeds Rs. 55000
4. where the current income exceeds Rs. 70,000	Rs. 3700 plus 8% of the amount by which the current income exceeds Rs. 70,000	Rs. 5500 plus 12% of the amount by which the current income exceeds Rs. 70,000	Rs. 6600 plus 15% of the amount by which the current income exceeds Rs. 70,000

Provided that where the current income exceeds Rs. 15,000 but does not exceed Rs. 15,620 (Rs. 15,710/- in assessment year 1979-80) the compulsory deposit shall in no case exceed the amount by which the current income exceeds Rs. 15,000/-.

Provided further that where in the case of any depositor the amount of compulsory deposit calculated in accordance with the foregoing provisions is less than Rs. 100 it shall not be necessary for him to make such deposit.

Provided further that in case of individuals who are above 70 years of age on the first day of previous year, are not required to make any compulsory deposit. The amount of

C.D.S. is payable before the date of last instalment of advance tax if he has furnished statement of advance tax or estimate of his income otherwise on or before 31st March of the relevant previous year. The C.D.S. can be made before the above dates in one or more instalments but once in a quarter (*i. e.*, *three months ending on 30th June, 30th September, 31st December and 31st March*). The C.D.S. is to be deposited in Form A in any of the nationalised banks who will issue receipt in Form B which shall be required to be filed alongwith return of income. The amount of C.D.S. carry interest at bank deposit rate which at present is 9%. The amounts of C.D.S. is repayable in five equal annual instalments commencing from the expiry of two years from the end of financial year in which it is made together with interest. The failure to make C.D.S. attracts penalty at the rate of twenty-five per cent. of the C.D.S. required to be made. The amount of C.D.S. is to be rounded off to the nearest multiple of Rs. 10. For details please refer the chapter "Compulsory Deposit Scheme for income-tax payers".

DEDUCTION OF TAX AT SOURCE FROM SALARIES

Deduction of tax—Under section 192 of the Income-tax Act, 1961, the income-tax shall be deducted at source on payment of salary if the estimated salary income of the recipient exceeds the amount not chargeable to tax. It is the duty of the employer to deduct tax at source. For this purpose the employer should make an estimate of the total emoluments payable to an employee during the financial year and then deduct the admissible deduction for

- (i) entertainment allowance;
- (ii) house rent allowance;
- (iii) standard deduction for expenses incidental to employment etc;
- (iv) payments of life insurance premia, contribution to provident fund and deposits in ten-year or fifteen-years account under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959 etc.

The tax on the taxable "salary" so arrived at should be computed at the rates in force during the financial year. Such rates are specified in Part III of the First Schedule to the Finance Act of the relevant financial year. The tax so computed should then be deducted in equal instalment from the salary of the each month.

It may be that some arrears of pay, bonus etc., which were not anticipated to be paid during a financial year when the tax computation was made are subsequently paid during the course of that financial year or the payments which were expected to be made are not made. This will entail re-computation of the tax deductible at source. Sub-section (3) of section 192 therefore, permits the employer to adjust any short or excess deduction in the remaining months of the year.

Payment of tax—Under Rule 30 of the income-tax Rules, 1962 the income-tax deducted at source on salary should be paid to the credit of the Central Government—

- (a) in the case of deduction by or on behalf of Government on the same day;
- (b) in all other cases within one week from the date of such deduction.

The Income-tax Officer may, in special cases and with the previous approval of the Inspecting Assistant Commissioner, permit an employer to pay the income-tax deducted at source from any income chargeable under the head "Salaries" quarterly on June 15th, September 15th, December 15th and March 15th.

Submission of monthly return—Under Rule 32 of the Income-tax Rules, 1962, where deduction of tax from salaries is made except by or on behalf of Government, the person responsible for paying the income shall forthwith send a monthly return in Form No. 21 to the Income-tax Officer.

Under Rule 34, the Commissioner of Income-tax may, in his discretion, waive the requirement of Rule 32 regarding the submission of the detailed monthly return subject to the following conditions and any other condition which may be prescribed—

- (i) a certificate in Form No. 23 shall be furnished to the Income-tax Officer immediately after the end of each month;
- (ii) in the case of an employee leaving service, the particulars in form No. 21 shall be sent forthwith to the Income-tax Officer.

Submission of annual return—Under Rule 35, an annual return of salaries paid in respect of those employees whose taxable salary income is Rs. 9,400 or more and tax deducted therefrom, is to be delivered to the Income-tax Officer in Form No. 24 within thirty days from the 31st day of March of each year.

Issue of certificate to employees—Under Rule 31(1), the employer shall furnish a certificate in Form No. 16 to the employees in respect of tax deducted at source from salary.

Penalty and prosecution—Under section 201 if the person responsible for deduction of tax at source, has defaulted without reasonable cause or excuse in his obligation to deduct tax at source or after deducting fails to pay the tax to the credit of the Central Government within the time allowed, he shall be deemed to be an assessee in default in respect of such tax and may cause to penalty and prosecution under section 276-B.

Filing of the return by the employee : Under section 139 (1) of the Income-tax Act, 1961, with effect from assessment year 1975-76 it is not necessary for an employee to furnish a voluntary return of his income or the income of any other person in respect of whose total income he is assessable, if the income during the previous year consists only of income chargeable under the head "Salaries" and income derived from any or all of the investments as is referred to in sec. 80-L, i.e., (i) securities of the Central Government or any of the State Government; (ii) debentures issued by any co-operative society (*including a co-operative land mortgage bank or a co-operative land development bank*) or any other institution or authority that may be notified by the Central Government for the said purpose; (iii) deposits under any scheme framed by the Central Government and notified for this purpose (iv) shares in Indian companies; (v) units in the Unit Trust of India; (vi) deposits with banking companies, co-operative banks, land mortgage banks and land development banks; (vii) deposits with financial corporations engaged in providing long-term finance for industrial development in India which are approved by the Central Government; (viii) deposits with a co-operative society made by a member of the society; and (ix) shares in co-operative society, and the following conditions are fulfilled :—

- (a) the employee at any time during the previous year was not a director of the company or a person having a substantial interest in the company;
- (b) the salary of the employee concerned (*exclusive of the value of all benefits or amenities not provided for by way of monetary payment*) did not exceed Rs. 18,000;
- (c) the income referred to in clauses (i) to (ix) of section 80-L (1) did not, in the aggregate exceed Rs. 3,000, i.e. the amount exempt from income-tax under that section; and
- (d) the tax was deducted at source fully from the income chargeable under the head "Salaries"

Relief when salary etc. is paid in arrears or in advance [Sec. (89)(1)] Where by reason of any portion of an assessee's salary being paid in arrears or in advance or by reason of his having received in any one financial year salary for more than twelve months or a payment which under provisions of section 17(3) is a profit in lieu of salary, his income is assessed at a rate higher than that at which it would otherwise have been assessed, the Income-tax Officer, shall, on an application made to him in this behalf, grant such relief as he considers appropriate Rule 21-A of the Income-tax Rules, 1962 contain the relevant provisions.

Rounding off of income (Section 288-A) Under section 288-A, the total income shall be rounded off to the nearest multiple of rupees ten, ignoring the last digit if it is less than 'five' and increasing it to ten, if it is five or more. The rounding off is done after allowing statutory deductions in respect of life insurance premiums, provident fund contributions and other deductions admissible under the Act.

Rounding off of tax etc. [Section 288-B] Under section 288-B, the amount of tax including tax deductible at source or payable in advance, etc., shall be rounded off to the nearest multiple of rupee one, where amount contains a part of a rupee consisting of paise then if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.

In monthly salary table the total tax has been rounded off to the nearest multiple of Re. 1. The adjustment of excess or short deduction as a result of this rounding off should be made in the last month of the year.

WHERE MONTHLY SALARY IS BETWEEN Rs. 1019 & Rs. 1120

Monthly Salary	Standard Deduction u/s 16(i)	Taxable Salary Subject to L.I.P. & P.F. etc.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16(i)	Taxable Salary Subject to L.I.P. & P.F. etc.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
1019	135.23	833.77	0.31	0.05	—	—	1070	190.33	879.67	31.95	4.79	37	—
1020	185.33	834.67	0.94	0.14	1	—	1071	190.43	880.57	32.09	4.81	37	—
1021	185.43	835.57	1.57	0.24	2	—	1072	190.53	881.47	32.22	4.83	37	—
1022	185.53	836.47	2.20	0.33	3	—	1073	190.63	882.37	32.36	4.85	37	—
1023	185.63	837.37	2.83	0.42	3	—	1074	190.73	883.27	32.49	4.87	37	—
1024	185.73	838.27	3.46	0.52	4	—	1075	190.83	884.17	32.63	4.89	38	—
1025	185.83	839.17	4.09	0.61	5	—	1076	190.93	885.07	32.76	4.91	38	—
1026	185.93	840.07	4.72	0.71	5	—	1077	191.03	885.97	32.90	4.93	38	—
1027	186.03	840.97	5.35	0.80	6	—	1078	191.13	886.87	33.03	4.95	38	—
1028	186.13	841.87	5.98	0.90	7	—	1079	191.23	887.77	33.17	4.98	38	—
1029	186.23	842.77	6.61	0.99	8	—	1080	191.33	888.67	33.30	5.00	38	—
1030	186.33	843.67	7.24	1.09	8	—	1081	191.43	889.57	33.44	5.02	38	—
1031	186.43	844.57	7.87	1.18	9	—	1082	191.53	890.47	33.57	5.04	39	—
1032	186.53	845.47	8.50	1.28	10	—	1083	191.63	891.37	33.71	5.06	39	—
1033	186.63	846.37	9.13	1.37	11	—	1084	191.73	892.27	33.84	5.08	39	—
1034	186.73	847.27	9.76	1.46	11	—	1085	191.83	893.17	33.98	5.10	39	—
1035	186.83	848.17	10.39	1.56	12	—	1086	191.93	894.07	34.11	5.12	39	—
1036	186.93	849.07	11.02	1.65	13	—	1087	192.03	894.97	34.25	5.14	39	—
1037	187.03	849.97	11.65	1.75	13	—	1088	192.13	895.87	34.38	5.16	40	—
1038	187.13	850.87	12.28	1.84	14	—	1089	192.23	896.77	34.52	5.18	40	—
1039	187.23	851.77	12.91	1.94	15	—	1090	192.33	897.67	34.65	5.20	40	—
1040	187.33	852.67	13.54	2.03	16	—	1091	192.43	898.57	34.79	5.22	40	—
1041	187.43	853.57	14.17	2.13	16	—	1092	192.53	899.47	34.92	5.24	40	—
1042	187.53	854.47	14.80	2.22	17	—	1093	192.63	900.37	35.06	5.26	40	—
1043	187.63	855.37	15.43	2.31	18	—	1094	192.73	901.27	35.19	5.28	40	—
1044	187.73	856.27	16.06	2.41	18	—	1095	192.83	902.17	35.33	5.30	41	—
1045	187.83	857.17	16.69	2.50	19	—	1096	192.93	903.07	35.46	5.32	41	—
1046	187.93	858.07	17.32	2.60	20	—	1097	193.03	903.97	35.60	5.34	41	—
1047	188.03	858.97	17.95	2.69	21	—	1098	193.13	904.87	35.73	5.36	41	—
1048	188.13	859.87	18.58	2.79	21	—	1099	193.23	905.77	35.87	5.38	41	—
1049	188.23	860.77	19.21	2.88	22	—	1100	193.33	906.67	36.00	5.40	41	—
1050	188.33	861.67	19.84	2.98	23	—	1101	193.43	907.57	36.14	5.42	42	—
1051	188.43	862.57	20.47	3.07	24	—	1102	193.53	908.47	36.27	5.44	42	—
1052	188.53	863.47	21.10	3.17	24	—	1103	193.63	909.37	36.41	5.46	42	—
1053	188.63	864.37	21.73	3.26	25	—	1104	193.73	910.27	36.54	5.48	42	—
1054	188.73	865.27	22.36	3.35	26	—	1105	193.83	911.17	36.68	5.50	42	—
1055	188.83	866.17	22.99	3.45	26	—	1106	193.93	912.07	36.81	5.52	42	—
1056	188.93	867.07	23.62	3.54	27	—	1107	194.03	912.97	36.95	5.54	42	—
1057	189.03	867.97	24.25	3.64	28	—	1108	194.13	913.87	37.08	5.56	43	—
1058	189.13	868.87	24.88	3.73	29	—	1109	194.23	914.77	37.22	5.58	43	—
1059	189.23	869.77	25.51	3.83	29	—	1110	194.33	915.67	37.35	5.60	43	—
1060	189.33	870.67	26.14	3.92	30	—	1111	194.43	916.57	37.49	5.62	43	—
1061	189.43	871.57	26.77	4.02	31	—	1112	194.53	917.47	37.62	5.64	43	—
1062	189.53	872.47	27.40	4.11	32	—	1113	194.63	918.37	37.76	5.66	43	—
1063	189.63	873.37	28.03	4.20	32	—	1114	194.73	919.27	37.89	5.68	44	—
1064	189.73	874.27	28.66	4.30	33	—	1115	194.83	920.17	38.03	5.70	44	—
1065	189.83	875.17	29.29	4.39	34	—	1116	194.93	921.07	38.16	5.72	44	—
1066	189.93	876.07	29.92	4.49	34	—	1117	195.03	921.97	38.30	5.74	44	—
1067	190.03	876.97	30.55	4.58	35	—	1118	195.13	922.87	38.43	5.76	44	—
1068	190.13	877.87	31.18	4.68	36	—	1119	195.23	923.77	38.57	5.78	44	—
1069	190.23	878.77	31.82	4.77	37	—	1120	195.33	924.67	38.70	5.81	45	—

- (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16(i) of Rs. 83/33 per month instead of above mentioned standard deduction.
- (2) C.D.S. has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S. is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.
- (3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary subject to L.I.P. & P.F. etc.

WHERE MONTHLY SALARY IS BETWEEN Rs.1121 & 1220

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Monthly Salary	Standard Deduction u/s 16 (i)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16 (i)*	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax rounded off	Annual C.D.S.
Rs	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
1121	195.43	925.57	38.84	5.83	45	—	1171	200.43	970.57	45.59	6.84	52	—
1122	195.53	926.47	38.97	5.85	45	—	1172	200.53	971.47	45.72	6.86	53	—
1123	195.63	927.37	39.11	5.87	45	—	1173	200.63	972.37	45.86	6.88	53	—
1124	195.73	928.27	39.24	5.89	45	—	1174	200.73	973.27	45.99	6.90	53	—
1125	195.83	929.17	39.38	5.91	45	—	1175	200.83	974.17	46.13	6.92	53	—
1126	195.93	930.07	39.51	5.93	45	—	1176	200.93	975.07	46.26	6.94	53	—
1127	196.03	930.97	39.65	5.95	46	—	1177	201.03	975.97	46.40	6.96	53	—
1128	196.13	931.87	39.78	5.97	46	—	1178	201.13	976.87	46.53	6.98	54	—
1129	196.23	932.77	39.92	5.99	46	—	1179	201.23	977.77	46.67	7.00	54	—
1130	196.33	933.67	40.05	6.01	46	—	1180	201.33	978.67	46.80	7.02	54	—
1131	196.43	934.57	40.19	6.03	46	—	1181	201.43	979.57	46.94	7.04	54	—
1132	196.53	935.47	40.32	6.05	46	—	1182	201.53	980.47	47.07	7.06	54	—
1133	196.63	936.37	40.46	6.07	47	—	1183	201.63	981.37	47.21	7.08	54	—
1134	196.73	937.27	40.59	6.09	47	—	1184	201.73	982.27	47.34	7.10	54	—
1135	196.83	938.17	40.73	6.11	47	—	1185	201.83	983.17	47.48	7.12	55	—
1136	196.93	939.07	40.86	6.13	47	—	1186	201.93	984.07	47.61	7.14	55	—
1137	197.03	939.97	41.00	6.15	47	—	1187	202.03	984.97	47.75	7.16	55	—
1138	197.13	940.87	41.13	6.17	47	—	1188	202.13	985.87	47.88	7.18	55	—
1139	197.23	941.77	41.27	6.19	47	—	1189	202.23	986.77	48.02	7.20	55	—
1140	197.33	942.67	41.40	6.21	48	—	1190	202.33	987.67	48.15	7.22	55	—
1141	197.43	943.57	41.54	6.23	48	—	1191	202.43	988.57	48.29	7.24	55	—
1142	197.53	944.47	41.67	6.25	48	—	1192	202.53	989.47	48.42	7.26	56	—
1143	197.63	945.37	41.81	6.27	48	—	1193	202.63	990.37	48.56	7.28	56	—
1144	197.73	946.27	41.94	6.29	48	—	1194	202.73	991.27	48.69	7.30	56	—
1145	197.83	947.17	42.08	6.31	48	—	1195	202.83	992.17	48.83	7.32	56	—
1146	197.93	948.07	42.21	6.33	49	—	1196	202.93	993.07	48.96	7.34	56	—
1147	198.03	948.97	42.35	6.35	49	—	1197	203.03	993.97	49.10	7.36	56	—
1148	198.13	949.87	42.48	6.37	49	—	1198	203.13	994.87	49.23	7.39	57	—
1149	198.23	950.77	42.62	6.39	49	—	1199	203.23	995.77	49.37	7.41	57	—
1150	198.33	951.67	42.75	6.41	49	—	1200	203.33	996.67	49.50	7.43	57	—
1151	198.43	952.57	42.89	6.43	49	—	1201	203.43	997.57	49.64	7.45	57	—
1152	198.53	953.47	43.02	6.45	49	—	1202	203.53	998.47	49.77	7.47	57	—
1153	198.63	954.37	43.16	6.47	50	—	1203	203.63	999.37	49.91	7.49	57	—
1154	198.73	955.27	43.29	6.49	50	—	1204	203.73	1000.27	50.04	7.51	58	—
1155	198.83	956.17	43.43	6.51	50	—	1205	203.83	1001.17	50.18	7.53	58	—
1156	198.93	957.07	43.56	6.53	50	—	1206	203.93	1002.07	50.31	7.55	58	—
1157	199.03	957.97	43.70	6.56	50	—	1207	204.03	1002.97	50.45	7.57	58	—
1158	199.13	958.87	43.83	6.57	50	—	1208	204.13	1003.87	50.58	7.59	58	—
1159	199.23	959.77	43.97	6.60	51	—	1209	204.23	1004.77	50.72	7.61	58	—
1160	199.33	960.67	44.10	6.62	51	—	1210	204.33	1005.67	50.85	7.63	58	—
1161	199.43	961.57	44.24	6.64	51	—	1211	204.43	1006.57	50.99	7.65	59	—
1162	199.53	962.47	44.37	6.66	51	—	1212	204.53	1007.47	51.12	7.67	59	—
1163	199.63	963.37	44.51	6.68	51	—	1213	204.63	1008.37	51.26	7.69	59	—
1164	199.73	964.27	44.64	6.70	51	—	1214	204.73	1009.27	51.39	7.71	59	—
1165	199.83	965.17	44.78	6.72	51	—	1215	204.83	1010.17	51.53	7.73	59	—
1166	199.93	966.07	44.91	6.74	52	—	1216	204.93	1011.07	51.66	7.75	59	—
1167	200.03	966.97	45.05	6.76	52	—	1217	205.03	1011.97	51.80	7.77	60	—
1168	200.13	967.87	45.18	6.78	52	—	1218	205.13	1012.87	51.93	7.79	60	—
1169	200.23	968.77	45.32	6.80	52	—	1219	205.23	1013.77	52.07	7.81	60	—
1170	200.33	969.67	45.45	6.82	52	—	1220	205.33	1014.67	52.20	7.83	60	—

- (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 19 (i) of Rs 83/33 per month instead of above mentioned standard deduction.
- (2) C.D.S has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalment but once in a quarter.
- (3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary,

WHERE MONTHLY SALARY IS BETWEEN Rs. 1221 & 1320

Monthly Salary	Standard Deduction u/s 16 (i)*	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16 (i)*	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.	Rs	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
1221	205.43	1015.57	52.34	7.85	60	—	1271	210.43	1060.57	59.09	8.86	68	—
1222	205.53	1016.47	52.47	7.87	60	—	1272	210.53	1061.47	59.22	8.88	68	—
1223	205.63	1017.37	52.61	7.89	61	—	1273	210.63	1062.37	59.36	8.90	68	—
1224	205.73	1018.27	52.74	7.91	61	—	1274	210.73	1063.27	59.49	8.92	68	—
1225	205.83	1019.17	52.88	7.93	61	—	1275	210.83	1064.17	59.63	8.94	69	—
1226	205.93	1020.07	53.01	7.95	61	—	1276	210.93	1065.07	59.76	8.96	69	—
1227	206.03	1020.97	53.15	7.97	61	—	1277	211.03	1065.97	59.90	8.98	69	—
1228	206.13	1021.87	53.28	7.99	61	—	1278	211.13	1066.87	60.03	9.00	69	—
1229	206.23	1022.77	53.42	8.01	61	—	1279	211.23	1067.77	60.17	9.02	69	—
1230	206.33	1023.67	53.55	8.03	62	—	1280	211.33	1068.67	60.30	9.04	69	—
1231	206.43	1024.57	53.69	8.05	62	—	1281	211.43	1069.57	60.44	8.06	70	—
1232	206.53	1025.47	53.82	8.07	62	—	1282	211.53	1070.47	60.57	9.09	70	—
1233	206.63	1026.37	53.96	8.09	62	—	1283	211.63	1071.37	60.71	9.18	70	—
1234	206.73	1027.27	54.09	8.11	62	—	1284	211.73	1072.27	60.84	9.13	70	—
1235	206.83	1028.17	54.23	8.13	62	—	1285	211.83	1073.17	60.98	9.15	70	—
1236	206.93	1029.07	54.36	8.15	63	—	1286	211.93	1074.07	61.11	9.17	70	—
1237	207.03	1029.97	54.50	8.17	63	—	1287	212.03	1074.97	61.25	9.19	70	—
1238	207.13	1030.87	54.63	8.19	63	—	1288	212.13	1075.87	61.38	9.11	71	—
1239	207.23	1031.77	54.77	8.21	63	—	1289	212.23	1076.77	61.52	9.23	71	—
1240	207.33	1032.67	54.90	8.23	63	—	1290	212.33	1077.67	61.65	9.25	71	—
1241	207.43	1033.57	55.04	8.25	63	—	1291	212.43	1078.57	61.79	9.27	71	—
1242	207.53	1034.47	55.17	8.27	63	—	1292	212.53	1079.47	61.92	9.29	71	—
1243	207.63	1035.37	55.31	8.29	64	—	1293	212.63	1080.37	62.06	9.31	71	—
1244	207.73	1036.27	55.44	8.32	64	—	1294	212.73	1081.27	62.19	9.33	72	—
1245	207.83	1037.17	55.58	8.34	64	—	1295	212.83	1082.17	62.33	9.35	72	—
1246	207.93	1038.07	55.71	8.36	64	—	1296	212.93	1083.07	62.46	9.37	72	—
1247	208.03	1038.97	55.85	8.38	64	—	1297	213.03	1083.97	62.60	9.39	72	—
1248	208.13	1039.87	55.98	8.40	64	—	1298	213.13	1084.87	62.73	9.41	72	—
1249	208.23	1040.77	56.12	8.42	65	—	1299	213.23	1085.77	62.87	9.43	72	—
1250	208.33	1041.67	56.25	8.44	65	—	1300	213.33	1086.67	63.00	9.45	72	—
1251	208.43	1042.57	56.39	8.46	65	—	1301	213.43	1087.57	63.14	9.47	73	—
1252	208.53	1043.47	56.52	8.48	65	—	1302	213.53	1088.47	63.27	9.49	73	—
1253	208.63	1044.37	56.66	8.50	65	—	1303	213.63	1089.37	63.41	9.51	73	—
1254	208.73	1045.27	56.79	8.52	65	—	1304	213.73	1090.27	63.54	9.53	73	—
1255	208.83	1046.17	56.93	8.54	65	—	1305	213.83	1091.17	63.68	9.55	73	—
1256	208.93	1047.07	57.06	8.56	66	—	1306	213.93	1092.07	63.81	9.57	73	—
1257	209.03	1047.97	57.20	8.58	66	—	1307	214.03	1092.97	63.95	9.59	74	—
1258	209.13	1048.87	57.33	8.60	66	—	1308	214.13	1093.87	64.08	9.61	74	—
1259	209.23	1049.77	57.47	8.62	66	—	1309	214.23	1094.77	64.22	9.63	74	—
1260	209.33	1050.67	57.60	8.64	66	—	1310	214.33	1095.67	64.35	9.65	74	—
1261	209.43	1051.57	57.74	8.66	66	—	1311	214.43	1096.57	64.49	9.67	74	—
1262	209.53	1052.47	57.87	8.68	67	—	1312	214.53	1097.47	64.62	9.69	74	—
1263	209.63	1053.37	58.01	8.70	67	—	1313	214.63	1098.37	64.76	9.71	74	—
1264	209.73	1054.27	58.14	8.72	67	—	1314	214.73	1099.27	64.89	9.73	75	—
1265	209.83	1055.17	58.28	8.74	67	—	1315	214.83	1100.17	65.03	9.75	75	—
1266	209.93	1056.07	58.41	8.76	67	—	1316	214.93	1101.07	65.16	9.77	75	—
1267	210.03	1056.97	58.55	8.78	67	—	1317	215.03	1101.97	65.30	9.79	75	—
1268	210.13	1057.87	58.68	8.80	67	—	1318	215.13	1102.87	65.43	9.81	75	—
1269	210.23	1058.77	58.82	8.82	68	—	1319	215.23	1103.77	65.57	9.84	75	—
1270	210.33	1059.67	58.95	8.84	68	—	1320	215.33	1104.67	65.70	9.86	76	—

Note (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16 (i) of Rs. 83/33 per month instead of above mentioned standard deduction

(2) C.D.S. has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S. is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.

(3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary.

WHERE MONTHLY SALARY IS BETWEEN Rs. 1321 & Rs. 1420

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Monthly Salary	Standard Deduction u/s 16(I)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16(I)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs.	Rs. P.		Rs.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.
1321	215.43	1105.57	65.84	9.88	76	—	1371	220.43	1150.57	72.59	10.89	83	—
1322	215.53	1106.47	65.97	9.90	76	—	1372	220.53	1151.47	72.72	10.91	83	—
1323	215.63	1107.37	66.11	9.92	76	—	1373	220.63	1152.37	72.86	10.93	83	—
1324	215.73	1108.27	66.24	9.94	76	—	1374	220.73	1153.27	72.99	10.95	83	—
1325	215.83	1109.17	66.38	9.96	76	—	1375	220.83	1154.17	73.13	10.97	84	—
1326	215.93	1110.07	66.51	9.98	76	—	1376	220.93	1155.07	73.26	10.99	84	—
1327	216.03	1110.97	66.65	10.00	77	—	1377	221.03	1155.97	73.40	11.01	84	—
1328	216.13	1111.87	66.78	10.02	77	—	1378	221.13	1156.87	73.53	11.03	85	—
1329	216.23	1112.77	66.92	10.04	77	—	1379	221.23	1157.77	73.67	11.05	85	—
1330	216.33	1113.67	67.05	10.06	77	—	1380	221.33	1158.67	73.80	11.07	85	—
1331	216.43	1114.57	67.19	10.08	77	—	1381	221.43	1159.57	73.94	11.09	85	—
1332	216.53	1115.47	67.32	10.10	77	—	1382	221.53	1160.47	74.07	11.11	85	—
1333	216.63	1116.37	67.46	10.12	78	—	1383	221.63	1161.37	74.21	11.13	85	—
1334	216.73	1117.27	67.59	10.14	78	—	1384	221.73	1162.27	74.34	11.15	85	—
1335	216.83	1118.17	67.73	10.16	78	—	1385	221.83	1163.17	74.48	11.17	86	—
1336	216.93	1119.07	67.86	10.18	78	—	1386	221.93	1164.07	74.61	11.19	86	—
1337	217.03	1119.97	68.00	10.20	78	—	1387	222.03	1164.97	74.75	11.21	86	—
1338	217.13	1120.87	68.13	10.22	78	—	1388	222.13	1165.87	74.88	11.23	86	—
1339	217.23	1121.77	68.27	10.24	79	—	1389	222.23	1166.77	75.02	11.25	86	—
1340	217.33	1122.67	68.40	10.26	79	—	1390	222.33	1167.67	75.15	11.27	86	—
1341	217.43	1123.57	68.54	10.28	79	—	1391	222.43	1168.57	75.29	11.29	87	—
1342	217.53	1124.47	68.67	10.30	79	—	1392	222.53	1169.47	75.42	11.31	87	—
1343	217.63	1125.37	68.81	10.32	79	—	1393	222.63	1170.37	75.56	11.33	87	—
1344	217.73	1126.27	68.94	10.34	79	—	1394	222.73	1171.27	75.69	11.35	87	—
1345	217.83	1127.17	69.08	10.36	79	—	1395	222.83	1172.17	75.83	11.37	87	—
1346	217.93	1128.07	69.21	10.38	80	—	1396	222.93	1173.07	75.96	11.39	87	—
1347	218.03	1128.97	69.35	10.40	80	—	1397	223.03	1173.97	76.10	11.42	88	—
1348	218.13	1129.87	69.48	10.42	80	—	1398	223.13	1174.87	76.23	11.43	88	—
1349	218.23	1130.77	69.62	10.44	80	—	1399	223.23	1175.77	76.37	11.46	88	—
1350	218.33	1131.67	69.75	10.46	80	—	1400	223.33	1176.67	76.50	11.48	88	—
1351	218.43	1132.57	69.89	10.48	80	—	1401	223.43	1177.57	76.64	11.50	88	—
1352	218.53	1133.47	70.02	10.50	81	—	1402	223.53	1178.47	76.77	11.52	88	—
1353	218.63	1134.37	70.16	10.52	81	—	1403	223.63	1179.37	76.91	11.54	88	—
1354	218.73	1135.27	70.29	10.54	81	—	1404	223.73	1180.27	77.04	11.56	89	—
1355	218.83	1136.17	70.43	10.56	81	—	1405	223.83	1181.17	77.18	11.58	89	—
1356	218.93	1137.07	70.56	10.58	81	—	1406	223.93	1182.07	77.31	11.60	89	—
1357	219.03	1137.97	70.70	10.61	81	—	1407	224.03	1182.97	77.45	11.62	89	—
1358	219.13	1138.87	70.83	10.62	81	—	1408	224.13	1183.87	77.58	11.64	89	—
1359	219.23	1139.77	70.97	10.65	82	—	1409	224.23	1184.77	77.72	11.66	89	—
1360	219.33	1140.67	71.10	10.67	82	—	1410	224.33	1185.67	77.85	11.68	90	—
1361	219.43	1141.57	71.24	10.69	82	—	1411	224.43	1186.57	77.99	11.70	90	—
1362	219.53	1142.47	71.37	10.71	82	—	1412	224.53	1187.47	78.12	11.72	90	—
1363	219.63	1143.37	71.51	10.73	82	—	1413	224.63	1188.37	78.26	11.74	90	—
1364	219.73	1144.27	71.64	10.75	82	—	1414	224.73	1189.27	78.39	11.76	90	—
1365	219.83	1145.17	71.78	10.77	83	—	1415	224.83	1190.17	78.53	11.78	90	—
1366	219.93	1146.07	71.91	10.79	83	—	1416	224.93	1191.07	78.66	11.80	90	—
1367	220.03	1146.97	72.05	10.81	83	—	1417	225.03	1191.97	78.80	11.82	91	—
1368	220.13	1147.87	72.18	10.83	83	—	1418	225.13	1192.87	78.93	11.84	91	—
1369	220.23	1148.77	72.32	10.85	83	—	1419	225.23	1193.77	79.07	11.86	91	—
1370	220.33	1149.67	72.45	10.87	83	—	1420	225.33	1194.67	79.20	11.88	91	—

(1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16 (i) of Rs. 83.33 per month instead of above mentioned standard deduction.

(2) C.D.S. has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S. is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.

(3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary

WHERE MONTHLY SALARY IS BETWEEN Rs. 1421 & Rs.1520

Monthly Salary	Standard Deduction u/s 16 (i)*	Taxable Salary Subject to L.I.P. & P.F. etc.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16 (i)* etc.	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
1421	225.43	1195.57	79.34	11.90	91	—	1471	230.43	1240.57	86.09	12.91	99	—
1422	225.53	1196.47	79.47	11.92	91	—	1472	230.53	1241.47	86.22	12.93	99	—
1423	225.63	1197.37	79.61	11.94	92	—	1473	230.63	1242.37	86.36	12.95	99	—
1424	225.73	1198.27	79.74	11.96	92	—	1474	230.73	1243.27	86.49	12.97	99	—
1425	225.83	1199.17	79.88	11.98	92	—	1475	230.83	1244.17	86.63	12.99	100	—
1426	225.93	1200.07	80.01	12.00	92	—	1476	230.93	1245.07	86.76	13.01	100	—
1427	226.03	1200.97	80.15	12.02	92	—	1477	231.03	1245.97	86.90	13.04	100	—
1428	226.13	1201.87	80.28	12.04	92	—	1478	231.13	1246.87	87.03	13.06	100	—
1429	226.23	1202.77	80.42	12.06	92	—	1479	231.23	1247.77	87.17	13.08	100	—
1430	226.33	1203.67	80.55	12.08	93	—	1480	231.33	1248.67	87.30	13.10	100	—
1431	226.43	1204.57	80.69	12.10	93	—	1481	231.43	1249.57	87.44	13.12	101	—
1432	226.53	1205.47	80.82	12.12	93	—	1482	231.53	1250.47	87.58	13.14	101	—
1433	226.63	1206.37	80.96	12.14	93	—	1483	231.63	1251.37	87.75	13.16	101	—
1434	226.73	1207.27	81.09	12.16	93	—	1484	231.73	1252.27	87.91	13.19	101	—
1435	226.83	1208.17	81.23	12.18	93	—	1485	231.83	1253.17	88.07	13.21	101	—
1436	226.93	1209.07	81.36	12.20	94	—	1486	231.93	1254.07	88.23	13.23	101	—
1437	227.03	1209.97	81.50	12.23	94	—	1487	232.03	1254.97	88.39	13.26	102	—
1438	227.13	1210.87	81.63	12.24	94	—	1488	232.13	1255.87	88.56	13.28	102	—
1439	227.23	1211.77	81.77	12.27	94	—	1489	232.23	1256.77	88.72	13.31	102	—
1440	227.33	1212.67	81.90	12.29	94	—	1490	232.33	1257.67	88.88	13.33	102	—
1441	227.43	1213.57	82.04	12.31	94	—	1491	232.43	1258.57	89.04	13.36	102	100
1442	227.53	1214.47	82.17	12.33	95	—	1492	232.53	1259.47	89.20	13.38	103	110
1443	227.63	1215.37	82.31	12.35	95	—	1493	232.63	1260.37	89.37	13.41	103	120
1444	227.73	1216.27	82.44	12.37	95	—	1494	232.73	1261.27	89.53	13.43	103	140
1445	227.83	1217.17	82.58	12.39	95	—	1495	232.83	1262.17	89.69	13.45	103	150
1446	227.93	1218.07	82.71	12.41	95	—	1496	232.93	1263.07	89.85	13.48	103	160
1447	228.03	1218.97	82.85	12.43	95	—	1497	233.03	1263.97	90.01	13.50	104	170
1448	228.13	1219.87	82.98	12.45	95	—	1498	233.13	1264.87	90.18	13.53	104	180
1449	228.23	1220.77	83.12	12.47	96	—	1499	233.23	1265.77	90.34	13.55	104	190
1450	228.33	1221.67	83.25	12.49	96	—	1500	233.33	1266.67	90.50	13.58	104	200
1451	228.43	1222.57	83.39	12.51	96	—	1501	233.43	1267.57	90.66	13.60	104	210
1452	228.53	1223.47	83.52	12.53	96	—	1502	233.53	1268.47	90.82	13.62	104	220
1453	228.63	1224.37	83.66	12.55	96	—	1503	233.63	1269.37	90.99	13.65	105	230
1454	228.73	1225.27	83.79	12.57	96	—	1504	233.73	1270.27	91.15	13.67	105	240
1455	228.83	1226.17	83.93	12.59	97	—	1505	233.83	1271.17	91.31	13.70	105	250
1456	228.93	1227.07	84.06	12.61	97	—	1506	233.93	1272.07	91.47	13.72	105	260
1457	229.03	1227.97	84.20	12.63	97	—	1507	234.03	1272.97	91.63	13.74	105	280
1458	229.13	1228.87	84.33	12.65	97	—	1508	234.13	1273.87	91.80	13.77	106	290
1459	229.23	1229.77	84.47	12.67	97	—	1509	234.23	1274.77	91.96	13.79	106	300
1460	229.33	1230.67	84.60	12.69	97	—	1510	234.33	1275.67	92.12	13.82	106	310
1461	229.43	1231.57	84.74	12.71	97	—	1511	234.43	1276.57	92.28	13.84	106	320
1462	229.53	1232.47	84.87	12.73	98	—	1512	234.53	1277.47	92.44	13.87	106	330
1463	229.63	1233.37	85.01	12.75	98	—	1513	234.63	1278.37	92.61	13.89	107	340
1464	229.73	1234.27	85.14	12.77	98	—	1514	234.73	1279.27	92.77	13.92	107	350
1465	229.83	1235.17	85.28	12.79	98	—	1515	234.83	1280.17	92.93	13.94	107	360
1466	229.93	1236.07	85.41	12.81	98	—	1516	234.93	1281.07	93.09	13.96	107	370
1467	230.03	1236.97	85.55	12.83	98	—	1517	235.03	1281.97	93.25	13.99	107	380
1468	230.13	1237.87	85.68	12.85	99	—	1518	235.13	1282.87	93.42	14.01	107	390
1469	230.23	1238.77	85.82	12.87	99	—	1519	235.23	1283.77	93.58	14.04	108	410
1470	230.33	1239.67	85.95	12.89	99	—	1520	235.33	1284.67	93.74	14.06	108	420

Note (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16 (i) of Rs. 83/33 per month instead of above mentioned standard deduction

(2) C.D.S has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.

(3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary subject to L.I.P. & P.F. etc.

WHERE MONTHLY SALARY IS BETWEEN Rs. 1520 & 2025

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Monthly Salary	Standard Deduction u/s 16 (1)*	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16 (1)*	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
1520	235.33	1284.67	93.74	14.06	108	420	1775	260.83	1514.17	135.05	20.26	155	820
1525	235.83	1289.17	94.55	14.18	109	470	1780	261.33	1518.67	135.86	20.38	156	820
1530	236.33	1293.67	95.36	14.30	110	520	1785	261.83	1523.17	136.67	20.50	157	820
1535	236.83	1298.17	96.17	14.43	111	580	1790	262.33	1527.67	137.48	20.62	158	820
1540	237.33	1302.67	96.98	14.55	112	630	1795	262.83	1532.17	138.29	20.74	159	830
1545	237.83	1307.17	97.79	14.67	112	690	1800	263.33	1536.67	139.10	20.87	160	830
1550	238.33	1311.67	98.60	14.79	113	710	1805	263.83	1541.17	139.91	20.99	161	830
1555	238.83	1316.17	99.41	14.91	114	710	1810	264.33	1545.67	140.72	21.11	162	830
1560	239.33	1320.67	100.22	15.03	115	710	1815	264.83	1550.17	141.53	21.23	163	840
1565	239.83	1325.17	101.03	15.15	116	720	1820	265.33	1554.67	142.34	21.35	164	840
1570	240.33	1329.67	101.84	15.28	117	720	1825	265.83	1559.17	143.15	21.47	165	840
1575	240.83	1334.17	102.65	15.40	118	720	1830	266.33	1563.67	143.96	21.59	166	840
1580	241.33	1338.67	103.46	15.52	119	720	1835	266.83	1568.17	144.77	21.72	166	850
1585	241.83	1343.17	104.27	15.64	120	730	1840	267.33	1572.67	145.58	21.84	167	850
1590	242.33	1347.67	105.08	15.76	121	730	1845	267.83	1577.17	146.39	21.96	168	850
1595	242.83	1352.17	105.89	15.88	122	730	1850	268.33	1581.67	147.20	22.08	169	850
1600	243.33	1356.67	106.70	16.01	123	730	1855	268.83	1586.17	148.01	22.20	170	860
1605	243.83	1361.17	107.51	16.13	124	740	1860	269.33	1590.67	148.82	22.32	171	860
1610	244.33	1365.67	108.32	16.25	125	740	1865	269.83	1595.17	149.63	22.44	172	860
1615	244.83	1370.17	109.13	16.37	126	740	1870	270.33	1599.67	150.44	22.57	173	860
1620	245.33	1374.67	109.94	16.49	126	740	1875	270.83	1604.17	151.25	22.69	174	870
1625	245.83	1379.17	110.75	16.61	127	740	1880	271.33	1608.67	152.06	22.81	175	870
1630	246.33	1383.67	111.56	16.73	128	750	1885	271.83	1613.17	152.87	22.93	176	870
1635	246.83	1388.17	112.37	16.86	129	750	1890	272.33	1617.67	153.68	23.05	177	870
1640	247.33	1392.67	113.18	16.98	130	750	1895	272.83	1622.17	154.49	23.17	178	880
1645	247.83	1397.17	113.99	17.10	131	750	1900	273.33	1626.67	155.30	23.30	179	880
1650	248.33	1401.67	114.80	17.22	132	760	1905	273.83	1631.17	156.11	23.42	180	880
1655	248.83	1406.17	115.61	17.34	133	760	1910	274.33	1635.67	156.92	23.54	180	880
1660	249.33	1410.67	116.42	17.46	134	760	1915	274.83	1640.17	157.73	23.66	181	890
1665	249.83	1415.17	117.23	17.58	135	760	1920	275.33	1644.67	158.54	23.78	182	890
1670	250.33	1419.67	118.04	17.71	136	770	1925	275.83	1649.17	159.35	23.90	183	890
1675	250.83	1424.17	118.85	17.83	137	770	1930	276.33	1653.67	160.16	24.02	184	890
1680	251.33	1428.67	119.66	17.95	138	770	1935	276.83	1658.17	160.97	24.15	185	900
1685	251.83	1433.17	120.47	18.07	139	770	1940	277.33	1662.67	161.78	24.27	186	900
1690	252.33	1437.67	121.28	18.19	139	780	1945	277.83	1667.17	162.63	24.39	187	900
1695	252.83	1442.17	122.09	18.31	140	780	1950	278.33	1671.67	163.75	24.56	188	900
1700	253.33	1446.67	122.90	18.44	141	780	1955	278.83	1676.17	164.88	24.73	190	910
1705	253.83	1451.17	123.71	18.56	142	780	1960	279.33	1680.67	166.00	24.90	191	910
1710	254.33	1455.67	124.52	18.68	143	790	1965	279.83	1685.17	167.13	25.07	192	910
1715	254.83	1460.17	125.33	18.80	144	790	1970	280.33	1689.67	168.25	25.24	193	910
1720	255.33	1464.67	126.14	18.92	145	790	1975	280.83	1694.17	169.38	25.41	195	910
1725	255.83	1469.17	126.95	19.04	146	790	1980	281.33	1698.67	170.50	25.58	196	920
1730	256.33	1473.67	127.76	19.16	147	800	1985	281.83	1703.17	171.63	25.74	197	920
1735	256.83	1478.17	128.57	19.29	148	800	1990	282.33	1707.67	172.75	25.91	199	920
1740	257.33	1482.67	129.38	19.41	149	800	1995	282.83	1712.17	173.88	26.08	200	920
1745	257.83	1487.17	130.19	19.53	150	800	2000	283.33	1716.67	175.00	26.25	201	930
1750	258.33	1491.67	131.00	19.65	151	810	2005	283.83	1721.17	176.13	26.42	203	930
1755	258.83	1496.17	131.81	19.77	152	810	2010	284.33	1725.67	177.25	26.59	204	930
1760	259.33	1500.67	132.62	19.89	153	810	2015	284.83	1730.17	178.38	26.76	205	930
1765	259.83	1505.17	133.43	20.01	153	810	2020	285.33	1734.67	179.50	26.93	206	940
1770	260.33	1509.67	134.24	20.14	154	820	2025	285.83	1739.17	180.63	27.09	208	940

Note (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16 [1] of Rs. 83/33 per month instead of above mentioned standard deduction.

(2) C.D.S has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments* but once in a quarter.

(3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary.

WHERE MONTHLY SALARY IS BETWEEN Rs. 2025 & Rs. 2530

Monthly Salary	Standard Deduction u/s 16(i)	Taxable Salary Subject to L.I.P. & P.F. etc.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16(i) etc.	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
2025	285.83	1739.17	180.63	27.09	208	940	2280	291.67	1988.33	242.92	36.44	279	1070
2030	286.33	1743.67	181.75	27.26	209	940	2285	291.67	1992.33	244.17	36.63	281	1080
2035	286.83	1748.17	182.88	27.43	210	940	2290	291.67	1998.33	245.42	36.81	282	1080
2040	287.33	1752.67	184.00	27.60	212	950	2295	291.67	2003.33	246.67	37.00	284	1080
2045	287.83	1757.17	185.13	27.77	213	950	2300	291.67	2008.33	247.92	37.19	285	1080
2050	288.33	1761.67	186.25	27.94	214	950	2305	291.67	2013.33	249.17	37.38	287	1090
2055	288.83	1766.17	187.38	28.11	215	960	2310	291.67	2018.33	250.42	37.56	288	1090
2060	289.33	1770.67	188.50	28.28	217	950	2315	291.67	2023.33	251.67	37.75	289	1090
2065	289.83	1775.17	189.63	28.44	218	960	2320	291.67	2028.33	252.92	37.94	291	1100
2070	290.33	1779.67	190.75	28.61	219	960	2325	291.67	2033.33	254.17	38.13	292	1100
2075	290.83	1784.17	191.88	28.78	221	960	2330	291.67	2038.33	255.42	38.31	294	1100
2080	291.33	1788.67	193.00	28.95	222	970	2335	291.67	2043.33	256.67	38.50	295	1100
2085	291.67	1793.33	194.17	29.13	223	970	2340	291.67	2048.33	257.92	38.69	297	1110
2090	291.67	1798.33	195.42	29.31	225	770	2345	291.67	2053.33	259.17	38.88	298	1110
2095	291.67	1803.33	196.67	29.50	226	970	2350	291.67	2058.33	260.42	39.06	299	1110
2100	291.67	1808.33	197.92	29.69	228	980	2355	291.67	2063.33	261.67	39.25	301	1120
2105	291.67	1813.33	199.17	29.88	229	980	2360	291.67	2068.33	262.92	39.44	302	1120
2110	291.67	1818.33	200.42	30.06	230	980	2365	291.67	2073.33	264.17	39.63	304	1120
2115	291.67	1823.33	201.67	30.25	232	990	2370	291.67	2078.33	265.42	39.81	305	1120
2120	291.67	1828.33	202.92	30.44	233	990	2375	291.67	2083.33	266.67	40.00	307	1130
2125	291.67	1833.33	204.17	30.63	235	990	2380	291.67	2088.33	268.17	40.23	308	1130
2130	291.67	1838.33	205.42	30.81	236	990	2385	291.67	2093.33	269.67	40.45	310	1140
2135	291.67	1843.33	206.67	31.00	238	1000	2390	291.67	2098.33	271.17	40.68	312	1140
2140	291.67	1848.33	207.92	31.19	239	1000	2395	291.67	2103.33	272.67	40.90	313	1150
2145	291.67	1853.33	209.17	31.37	241	1000	2400	291.67	2108.33	274.17	41.13	315	1150
2150	291.67	1858.33	210.42	31.56	242	1000	2405	291.67	2113.33	275.67	41.35	317	1160
2155	291.67	1863.33	211.67	31.75	243	1010	2410	291.67	2118.33	277.17	41.58	319	1170
2160	291.67	1868.33	212.92	31.94	245	1010	2415	291.67	2123.33	278.67	41.80	320	1180
2165	291.67	1873.33	214.17	32.13	246	1010	2420	291.67	2128.33	280.17	42.03	322	1180
2170	291.67	1878.33	215.42	32.31	248	1010	2425	291.67	2133.33	281.67	42.25	324	1190
2175	291.67	1883.33	216.67	32.50	249	1020	2430	291.67	2138.33	283.17	42.48	326	1200
2180	291.67	1888.33	217.92	32.69	251	1020	2435	291.67	2143.33	284.67	42.70	327	1200
2185	291.67	1893.33	219.17	32.88	252	1020	2440	291.67	2148.33	286.17	42.93	329	1210
2190	291.67	1898.33	220.42	33.06	253	1030	2445	291.67	2153.33	287.67	43.15	331	1220
2195	291.67	1903.33	221.67	33.25	255	1030	2450	291.67	2158.33	289.17	43.38	333	1220
2200	291.67	1908.33	222.92	33.44	256	1030	2455	291.67	2163.33	290.67	43.60	334	1230
2205	291.67	1913.33	224.17	33.63	258	1030	2460	291.67	2168.33	292.17	43.83	336	1240
2210	291.67	1918.33	225.42	33.81	259	1040	2465	291.67	2173.33	293.67	44.05	338	1240
2215	291.67	1923.33	226.67	34.00	261	1040	2470	291.67	2178.33	295.17	44.28	339	1250
2220	291.67	1928.33	227.92	34.19	262	1040	2475	291.67	2183.33	296.67	44.50	341	1260
2225	291.67	1933.33	229.17	34.38	264	1040	2480	291.67	2188.33	298.17	44.73	343	1260
2230	291.67	1938.33	230.42	34.56	265	1050	2485	291.67	2193.33	299.67	44.95	345	1270
2235	291.67	1943.33	231.67	34.75	266	1050	2490	291.67	2198.33	301.17	45.18	346	1280
2240	291.67	1948.33	232.92	34.94	268	1050	2495	291.67	2203.33	302.67	45.40	348	1280
2245	291.67	1953.33	234.17	35.13	269	1050	2500	291.67	2208.33	304.17	45.63	350	1290
2250	291.67	1958.33	235.42	35.31	271	1060	2505	291.67	2213.33	305.67	45.85	352	1300
2255	291.67	1963.33	236.67	35.50	272	1060	2510	291.67	2218.33	307.17	46.08	353	1300
2260	291.67	1968.33	237.92	35.69	274	1060	2515	291.67	2223.33	308.67	46.30	355	1310
2265	291.67	1973.33	239.17	35.88	275	1070	2520	291.67	2228.33	310.17	46.53	357	1320
2270	291.67	1978.33	240.42	36.06	276	1070	2525	291.67	2233.33	311.67	46.75	358	1330
2275	291.67	1983.33	241.67	36.25	278	1070	2530	291.67	2238.33	313.17	46.98	360	1330

- (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16 (i) of Rs. 83/33 per month instead of above mentioned standard deduction
- (2) C.D.S. has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S. is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.
- (3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary subject to L.I.P. & P.F. etc.

Monthly Salary	Standard Deduction u/s 16(1)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16(1)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
2530	291.67	2238.33	313.17	46.98	360	1330	3030	291.67	2738.33	487	73.05	560	1990
2540	291.67	2248.33	316.17	47.43	364	1340	3040	291.67	2748.33	491	73.65	565	2000
2550	291.67	2258.33	319.17	47.88	367	1360	3050	291.67	2758.33	495	74.25	569	2020
2560	291.67	2268.33	322.17	48.33	371	1370	3060	291.67	2768.33	499	74.85	574	2030
2570	291.67	2278.33	325.17	48.78	374	1380	3070	291.67	2778.33	503	75.45	578	2040
2580	291.67	2288.33	328.17	49.23	377	1400	3080	291.67	2788.33	507	76.05	583	2060
2590	291.67	2298.33	331.17	49.68	381	1410	3090	291.67	2798.33	511	76.65	588	2070
2600	291.67	2308.33	334.17	50.13	384	1420	3100	291.67	2808.33	515	77.25	592	2080
2610	291.67	2318.33	337.17	50.58	388	1440	3110	291.67	2818.33	519	77.85	597	2100
2620	291.67	2328.33	340.17	51.03	391	1450	3120	291.67	2828.33	523	78.45	601	2110
2630	291.67	2338.33	343.17	51.48	395	1460	3130	291.67	2838.33	527	79.05	606	2120
2640	291.67	2348.33	346.17	51.93	398	1470	3140	291.67	2848.33	531	79.65	611	2130
2650	291.67	2358.33	349.17	52.38	402	1490	3150	291.67	2858.33	535	80.25	615	2150
2660	291.67	2368.33	352.17	52.83	405	1500	3160	291.67	2868.33	539	80.85	620	2160
2670	291.67	2378.33	355.17	53.28	408	1510	3170	291.67	2878.33	543	81.45	624	2170
2680	291.67	2388.33	358.17	53.73	412	1530	3180	291.67	2888.33	547	82.05	629	2190
2690	291.67	2398.33	361.17	54.18	415	1540	3190	291.67	2898.33	551	82.65	634	2200
2700	291.67	2408.33	364.17	54.63	419	1550	3200	291.67	2908.33	555	83.25	638	2210
2710	291.67	2418.33	367.17	55.08	422	1570	3210	291.67	2918.33	559	83.85	643	2230
2720	291.67	2428.33	370.17	55.53	426	1580	3220	291.67	2928.33	563	84.45	647	2240
2730	291.67	2438.33	373.17	55.98	429	1590	3230	291.67	2938.33	567	85.05	652	2260
2740	291.67	2448.33	376.17	56.43	433	1610	3240	291.67	2948.33	571	85.65	657	2270
2750	291.67	2458.33	379.17	56.88	436	1620	3250	291.67	2958.33	575	86.25	661	2290
2760	291.67	2468.33	382.17	57.33	440	1630	3260	291.67	2968.33	579	86.85	666	2300
2770	291.67	2478.33	385.17	57.78	443	1640	3270	291.67	2978.33	583	87.45	670	2320
2780	291.67	2488.33	388.17	58.23	446	1660	3280	291.67	2988.33	587	88.05	675	2330
2790	291.67	2498.33	391.17	58.68	450	1670	3290	291.67	2998.33	591	88.65	680	2350
2800	291.67	2508.33	395.00	59.25	454	1690	3300	291.67	3008.33	595	89.25	684	2360
2810	291.67	2518.33	399.00	59.85	459	1700	3310	291.67	3018.33	599	89.85	689	2380
2820	291.67	2528.33	403.00	60.45	463	1710	3320	291.67	3028.33	603	90.45	693	2390
2830	291.67	2538.33	407.00	61.05	468	1730	3330	291.67	3038.33	607	91.05	698	2410
2840	291.67	2548.33	411.00	61.65	473	1740	3340	291.67	3048.33	611	91.65	703	2420
2850	291.67	2558.33	415.00	62.25	477	1760	3350	291.67	3058.33	615	92.25	707	2440
2860	291.67	2568.33	419.00	62.85	482	1770	3360	291.67	3068.33	619	92.85	712	2450
2870	291.67	2578.33	423.00	63.45	486	1780	3370	291.67	3078.33	623	93.45	716	2470
2880	291.67	2588.33	427.00	64.05	491	1790	3380	291.67	3088.33	627	94.05	721	2480
2890	291.67	2598.33	431.00	64.65	496	1810	3390	291.67	3098.33	631	94.65	726	2500
2900	291.67	2608.33	435.00	65.25	500	1820	3400	291.67	3108.33	635	95.25	730	2510
2910	291.67	2618.33	439.00	65.85	505	1830	3410	291.67	3118.33	639	95.85	735	2530
2920	291.67	2628.33	443.00	66.45	509	1840	3420	291.67	3128.33	643	96.45	739	2540
2930	291.67	2638.33	447.00	67.05	514	1860	3430	291.67	3138.33	647	96.05	744	2560
2940	291.67	2648.33	451.00	67.65	519	1870	3440	291.67	3148.33	651	97.65	749	2570
2950	291.67	2658.33	455.00	68.25	523	1880	3450	291.67	3158.33	655	98.25	753	2590
2960	291.67	2668.33	459.00	68.85	528	1900	3460	291.67	3168.33	659	98.85	758	2600
2970	291.67	2678.33	463.00	69.45	532	1910	3470	291.67	3178.33	663	99.45	762	2620
2980	291.67	2688.33	467.00	70.05	537	1920	3480	291.67	3188.33	667	100.05	767	2630
2990	291.67	2698.33	471.00	70.65	542	1940	3490	291.67	3198.33	671	100.65	772	2650
3000	291.67	2708.33	475.00	71.25	546	1950	3500	291.67	3208.33	675	101.25	776	2660
3010	291.67	2718.33	479.00	71.85	551	1960	3510	291.67	3218.33	679	101.85	781	2680
3020	291.67	2728.33	483.00	72.45	555	1980	3520	291.67	3228.33	683	102.45	785	2690
3030	291.67	2738.33	487.00	73.05	560	1990	3530	291.67	3238.33	687	103.05	790	2710

- (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16(1) of Rs. 83.33 per month instead of above mentioned standard deduction.
- (2) C.D.S has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S. is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.
- (3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary subject to L.I.P. & P.F. etc.

WHERE MONTHLY SALARY IS BETWEEN Rs. 3530 & Rs. 5000

Monthly Salary	Standard Deduction u/s 16(1)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.	Monthly Salary	Standard Deduction u/s 16(1)	Taxable Salary Subject to L.I.P. & P.F.	I. T.	S. C.	Total tax Rounded off	Annual C.D.S.
Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs.
3530	291.67	3238.33	687	103.05	790	2710	3970	291.67	3678.33	863.00	129.45	992	3370
3540	291.67	3248.33	691	103.65	795	2720	3980	291.67	3688.33	867.00	130.05	997	3380
3550	291.67	3258.33	695	104.25	799	2740	3990	291.67	3698.33	871.00	130.65	1002	3400
3560	291.67	3268.33	699	104.85	804	2750	4000	291.67	3708.33	875.00	131.25	1006	3410
3570	291.67	3278.33	703	105.45	808	2770	4025	291.67	3733.33	885.00	132.75	1018	3450
3580	291.67	3288.33	707	106.05	813	2780	4050	291.67	3758.33	895.00	134.25	1029	3490
3590	291.67	3298.33	711	106.65	818	2800	4075	291.67	3783.33	905.00	135.75	1041	3530
3600	291.67	3308.33	715	107.25	822	2810	4100	291.67	3808.33	915.00	137.25	1052	3560
3610	291.67	3318.33	719	107.85	827	2830	4125	291.67	3833.33	925.00	138.75	1064	3600
3620	291.67	3328.33	723	108.45	831	2840	4150	291.67	3858.33	935.00	140.25	1075	3640
3630	291.67	3338.33	727	109.05	836	2860	4175	291.67	3883.33	945.00	141.75	1087	3680
3640	291.67	3348.33	731	109.65	841	2870	4200	291.67	3908.33	955.00	143.25	1098	3710
3650	291.67	3358.33	735	110.25	845	2890	4225	291.67	3933.33	965.00	144.75	1110	3750
3660	291.67	3368.33	739	110.85	850	2900	4250	291.67	3958.33	975.00	146.25	1121	3790
3670	291.67	3378.33	743	111.45	854	2920	4275	291.67	3983.33	985.00	147.75	1133	3830
3680	291.67	3388.33	747	112.05	859	2930	4300	291.67	4008.33	995.00	149.25	1144	3860
3690	291.67	3398.33	751	112.65	864	2950	4325	291.67	4033.33	1005.00	150.75	1156	3900
3700	291.67	3408.33	755	113.25	868	2960	4350	291.67	4058.33	1015.00	152.25	1167	3940
3710	291.67	3418.33	759	113.85	873	2980	4375	291.67	4083.33	1025.00	153.75	1179	3980
3720	291.67	3428.33	763	114.45	877	2990	4400	291.67	4108.33	1035.00	155.25	1190	4010
3730	291.67	3438.33	767	115.05	882	3010	4425	291.67	4133.33	1045.00	156.75	1202	4050
3740	291.67	3448.33	771	115.65	887	3020	4450	291.67	4158.33	1055.00	158.25	1213	4090
3750	291.67	3458.33	775	116.25	891	3040	4475	291.67	4183.33	1066.67	160.00	1227	4130
3760	291.67	3468.33	779	116.85	896	3050	4500	291.67	4208.33	1079.17	161.88	1241	4160
3770	291.67	3478.33	783	117.45	900	3070	4525	291.67	4233.33	1091.67	163.75	1255	4200
3780	291.67	3488.33	787	118.05	905	3080	4550	291.67	4258.33	1104.17	165.63	1270	4240
3790	291.67	3498.33	791	118.65	910	3100	4575	291.67	4283.33	1116.67	167.50	1284	4280
3800	291.67	3508.33	795	119.25	914	3110	4600	291.67	4308.33	1129.17	169.38	1299	4310
3810	291.67	3518.33	799	119.85	919	3130	4625	291.67	4333.33	1141.67	171.25	1313	4350
3820	291.67	3528.33	803	120.45	923	3140	4650	291.67	4358.33	1154.17	173.13	1327	4390
3830	291.67	3538.33	807	121.05	928	3160	4675	291.67	4383.33	1166.67	175.00	1342	4430
3840	291.67	3548.33	811	121.65	933	3170	4700	291.67	4408.33	1179.17	176.88	1356	4460
3850	291.67	3558.33	815	122.25	937	3190	4725	291.67	4433.33	1191.67	178.75	1370	4500
3860	291.67	3568.33	819	122.85	942	3200	4750	291.67	4458.33	1204.17	180.63	1385	4540
3870	291.67	3578.33	823	123.45	946	3220	4775	291.67	4483.33	1216.67	182.50	1399	4580
3880	291.67	3588.33	827	124.05	951	3230	4800	291.67	4508.33	1229.17	184.38	1414	4610
3890	291.67	3598.33	831	124.65	956	3250	4825	291.67	4533.33	1241.67	186.25	1428	4650
3900	291.67	3608.33	835	125.25	960	3260	4850	291.67	4558.33	1254.17	188.13	1442	4690
3910	291.67	3618.33	839	125.85	965	3280	4875	291.67	4583.33	1266.67	190.00	1457	4730
3920	291.67	3628.33	843	126.45	969	3290	4900	291.67	4608.33	1279.17	191.88	1471	4760
3930	291.67	3638.33	847	127.05	974	3310	4925	291.67	4633.33	1291.67	193.75	1485	4800
3940	291.67	3648.33	851	127.65	979	3320	4950	291.67	4658.33	1304.17	195.63	1500	4840
3950	291.67	3658.33	855	128.25	983	3340	4975	291.67	4683.33	1316.67	197.50	1514	4880
3960	291.67	3668.33	859	128.85	988	3350	5000	291.67	4708.33	1329.17	199.38	1529	4910

- (1) Salaried persons who are in receipt of a conveyance allowance or conveyance facility, will be entitled to a standard deduction u/s 16(1) of Rs. 83/33 per month instead of above mentioned standard deduction.
- (2) C.D.S has been calculated on taxable income assuming it to be current income. The whole of the amount of C.D.S. is payable by the salaried person on or before 31st March, 1979. It can be made in one or more instalments but once in a quarter.
- (3) The L.I.P. and P.F. etc. are to be further deducted from the taxable salary subject to L.I.P. & P.F. etc.

INCOME FROM INTEREST ON SECURITIES

Sums chargeable under the head "Interest on securities" :

Under sec. 18(1) of the Income-tax Act, 1961, the following amounts due to an assessee in the previous year shall be chargeable to income-tax under the head "Interest on securities":

- (i) interest on any security of the Central or State Government not being interest payable under s. 280 D in respect of any annuity deposit made under Chapter XXII-A;
- (ii) interest on debentures or other securities for money issued by or on behalf of a local authority or a company or a corporation established by a Central, State or Provincial Act.

Basis of charge on "Interest on securities" :

Under sub-sec. (1) of section 18 interest on securities is chargeable on the due or accrual basis and not on the receipt basis. However, power has been taken under sub-sec. (2) of section 18 to retain the charge on "receipt basis" wherever interest of back years had not been charged to tax, though the same had become due in those back years.

Sec. 89(2) provides that where, by reason of any portion of income from interest on securities being received in arrears, an assessee's total income is assessed at a rate higher than that at which it would otherwise have been assessed, the Income-tax Officer shall, on an application made to him in this behalf, grant such relief as may be prescribed. The relevant rule 21-B of the Income-tax Rules, 1962 lays down the quantum of relief available under sec. 89(2) of the Act.

Accrual of interest on securities 8A: Interest on Government securities does not accrue day to day but on certain fixed days and thus interest is the income of the person who happens to be the owner of the securities on the day when the interest becomes due whether or not he did own the securities for the entire year in respect whereof the interest is payable.

Interest on securities wholly excluded from total income :

The following incomes being interest on securities are wholly exempt from tax :

(a) In the case of a non-resident, any income from interest on such securities as the Central Government may, by notification in the Official Gazette, specify in this behalf, or any income from interest on, or from premium on the redemption of, any bonds issued by the Central Government under a loan agreement between the Central Government and the International Bank for Reconstruction and Development or under a loan agreement between the Central Government and the Development Loan Fund of the United States of America or by any industrial undertaking or financial corporation in India under a loan agreement with the said Bank or Fund, as the case may be, which is guaranteed by the Central Government [s. 10(4)];

(b) Monthly payment on the 15-Year Annuity Certificates issued by or under the authority of the Central Government or such other annuity certificates issued by or under the authority of that Government as that Government may, by notification in the Official Gazette, specify, in this behalf, to the extent to which the amounts of the certificates do not exceed, in each case, the maximum amount which is permitted to be invested therein [s. 10(15)(i)];

(c) Annual payments and premia on National Defence Gold Bonds, 1980 [s. 10(15) (i-a) read with Notification No. F. 4 (29)-W & M/65 date 19-10-1965];

(d) Annual payments and premia on 7 per cent. Gold Bonds, 1980 [Notification No. F. 4 (2)-W & M/65 dated 27-2-1965];

(e) Interest on Treasury Savings Deposit Certificates, Post Office Cash Certificates, Post Office National Savings Certificates, National Plan Certificates, Twelve-year National Plan Savings Certificates and such other certificates issued by the Central Government as that Government may, by notification in the Official Gazette, specify in this behalf, interest on deposits in Post Office Savings Banks and bonus in respect of deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959, to the extent to which the amounts of such certificates or deposits do not exceed, in each case, the maximum amount which is permitted to be invested or deposited therein [s. 10(15) (ii)];

In pursuance of sub-clause (ii) of clause (15) of section 10, incomes on the following investment have been made exempt by notifications—

- (i) Interest on 10-Year Defence Deposit Certificates [*Notification No. S.O. 3574 dt. 23-11-1962*];
 - (ii) Interest on 12-Year National Defence Certificates [*Notification No. S.O. 3574 dt. 23-11-1962*];
 - (iii) Interest or interest payable in the form of premium on the Government of India Defence Certificate [*Notification No. S.O. 588 dated 27-2-1963 and Notification No. F-13(41)-W & M 62 dated 7-12-1962*];
 - (iv) Interest or prize-money and interest by way of premium paid on the Premium Prize Bonds, 1963 [*Notification No. S.O. 2953 dt. 9-10-1963 and Notification No. F-25(41) Ns/62 dt. 1-11-1962*];
- (f) Interest on fixed deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette, to the extent to which the amounts of such deposits do not exceed, in each case, the maximum amount which is permitted to be deposited therein [*S. 10(15)(ii-a)*]; In pursuance of sub-clause (ii-a) of clause (15) of section 10, interest income on the following investments have been made exempt by notifications—

(i) 5-Year Fixed Deposits in Post Offices;

(ii) 5-Year Fixed Deposits on Government Account in the State Bank of India and subsidiaries.

*Note:—*The deposits bear simple interest at 5% per annum. An individual can invest in these fixed deposits upto maximum of Rs. 25,000 and two individuals jointly upto maximum of Rs. 50,000;

- (g) Interest on securities held by the issue Department of the Central Bank of Ceylon constituted under the Ceylon Monetary Law Act, 1949 [*S. 10(15)(iii)*];
- (h) Income of a local authority which is chargeable under the head "interest on securities" [*S. 10(20)*];
- (i) Interest on securities of a registered trade union within the meaning of Indian trade Unions Act, 1926 [*S. 10(24)*];
- (j) Interest on securities which are held by, or are the property of any provident fund to which the Provident Fund Act, 1925 applies [*S. 10(25)(i)*];
- (k) Any income received by the trustees on behalf of a recognised provident fund [*S. 10(25)(ii)*];
- (l) Any income received by the trustees on behalf of an approved superannuation fund [*S. 10(25)(iii)*];
- (m) Any income received by the trustees on behalf of an approved gratuity fund [*S. 10(25)(iv)*];
- (n) Any income derived from property held under trust wholly for charitable or religious purposes [*S. 11*];
- (o) Any income by way of interest on securities in respect of certain co-operative societies in certain cases [*S. 80-P(2)(f)*];

Deduction from Interest on securities :

The following items of expenses are deductible from the income chargeable under the head "interest on securities" in order to arrive at the net income chargeable to tax :

(1) *Collection charges*—Sec. 19 (i) entitles the assessee to deduct any reasonable sum expended by him for the purpose of realising the interest on securities. If the assessee himself collects the interest, he is not entitled to deduction for collection charges. He may not charge for his own labour.

(2) *Interest payable on moneys borrowed for the purpose of investment in the securities*—

The assessee is also entitled under Sec. 19 (ii), to a deduction in respect of any interest payable on moneys borrowed by him for the purpose of investment in the securities. The purpose should be investment in the securities if the borrowing, on the other hand, is for the purpose of utilising the moneys in the working of the business, no interest on such borrowing is allowable under this section though it may be allowable under section 36(1)(iii) in computing the profits under the head of income from business.

However in case where the interest on moneys borrowed for investment in securities is payable outside India, no deduction can be claimed therefore unless tax has been previously recovered thereon by deduction at source, or there is a person in India who can be charged to tax as agent under section 163 in respect of that interest [S. 21]. This bar with regard to non-deductibility appears by virtue of the provisions contained in section 9(1)(i) which provides that the interest receivable by a non-resident shall be deemed to accrue in India and shall be taxable as such.

Taxes on tax-free securities issued by a local authority or a company :

In respect of any tax-free securities issued by a local authority or a company, the sum of the interest paid to the holder of the security would be assessed as "interest" received by the security-holder under section 18. The tax paid by the local authority or the company to the Government in respect of the tax-free securities issued by it would also be assessed as income of the security-holder.

Deductions in respect of interest from tax-free securities of Central or State Government :

By virtue of provisions in section 66 read with section 86-A, interest received by an assessee on any tax free security of Central or State Government is liable to be included in his total income. But the assessee would be entitled to a rebate of income-tax on such interest at the average rate of tax or at the rate of 27.5% whichever is less [S. 86-A].

Deductions from total income in respect of interest on certain securities, dividends, etc. [S. 80-L] :

The deduction under Sec. 80-L (1) of the Income-tax Act, 1961 is allowed to individuals, Hindu undivided families and association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, in respect of income derived from the following sources, to the extent of Rs. 3,000 :—

- (i) interest on any security of the Central Government or a State Government (not being interest payable under section 280-D in respect of any annuity deposit made under Chapter XXIIA);
- (ii) interest on such debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

In pursuance of clause (ii) of sub-section (i) of section 80L the Central Government has notified the following debentures subject to the fulfilling of the conditions laid down under the said notifications.

Debtenture/Bonds issued by :	Date of issue between	Notification No.
1. State Electricity Boards	(a) 1-3-72 to 31-3-74 (b) 1-4-74 to 31-3-76 (c) 1-1-77 to 31-12-81	S. O. 308 (E)/21-4-72 S. O. 669/4-7-74 S. O. 3998/10-10-77
2. The Industrial Reconstruction Corporation of India Ltd.		
(a) 6% 10 year Bonds, 1985	1-4-75 to 31-3-77	S. O. 1798/10-4-75
(b) 6% 10 year Bonds, 1985 Second Series	1-8-75 to 31-3-77	S. O. 661/9-10-75
(c) 6% 10-year Bond, 1985 Third Series	1-8-75 to 31-3-77	S. O. 1020/21-1-76
(d) 6% 10-year Bonds, 1986 First Series	29-3-76 to 31-3-76	S. O. 2883/21-6-76
3. Industrial Finance Corporation of India.		S. O. 400 (E)/2-6-72
4. Agro Industries Corporations	1-1-77 to 31-12-81	S. O. 3998 dt 10-10-77
5. Housing Boards (for rural housing)	1-1-77 to 31-12-81	S. O. 3998 dt 10-10-77
6 Co-operative Processing and Marketing Societies	1-1-77 to 31-12-81	S. O. 3998 dt 10-10-77
7. Approved State Sponsored Institutions	1-1-77 to 31-12-81	S. O. 3998/10-10-77
(iii) interest on deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette:		
in pursuance of clause (iii) of sub-sec. (1) of sec. 80-L, the Central Government has notified the following schemes [Notification No. S. O. 2879 dt 1-9-1970]:		
(a) Post Office (Time Deposits) Scheme governed by the Post Office (Time Deposits) Rules, 1970;		
(b) Post Office (Recurring Deposits) Scheme governed by the Post Office (Recurring Deposits) Rules 1970;		
(iv) dividends from any Indian company;		
(v) income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963);		
(vi) interest on deposits with a banking company to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to section 51 of that Act) or a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank);		
(vii) interest on deposits with a financial corporation which is engaged in providing long term finance for industrial development in India and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36;		
(viii) interest on deposits with any authority constituted in India by or under any law enacted either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning development or improvement of cities towns and villages, or for both;		
(ix) interest on deposits with a co-operative society, not being a co-operative society referred to in clause (vi), made by a member of the society; or		
(x) dividends from any co-operative society.		

In a case where assessee is entitled also to the deduction under sec. 80-K in relation to the whole or any part of the income by way of dividends referred to in clause (iv) of sub-sec. (1), only so much of such income by way of dividends as may remain after the deduction under sec. 80-K shall be taken into account for the purpose of allowing the deduction under sub-sec. (1) [s. 80-L (7)].

NOTE—In assessment year 1977-78 and 1978-79 no deduction u/s 80-L of the income-tax Act, 1961 shall be available to a specified Hindu undivided family whose any member has a taxable income.

Whether interest from securities may result in a negative income :—Section 19 allows deductions in computing the income chargeable under the head interest on securities and as such if the deduction result in a negative figure of income, the same in my opinion can be set off from income under any other head of income because there is no conditions attached to the deductions.

Sums chargeable under the head "Income from house property"

Section 22 enacts that income-tax shall be charged under the head "Income from house property" on the annual value of property consisting of any buildings or lands appurtenant thereto of which the assessee is the owner. The lands appurtenant with the buildings would come under this section. The income from other lands, not forming part of a building, would be the income from "other sources" and assessed under sec. 56(2) unless it is agricultural income excluded from total income under sec. 10(1) of the Income-tax Act, 1961.

Exclusions :

The following income from house property is not included in the total income of the previous year of the person in receipt of the income—

- (1) *Income from house property falling under the description of "agricultural income" [s. 10(1) read with s. 2(1)(c)]*—Agricultural building is exempt from tax, if—
 - (i) such building is in the immediate vicinity of the land;
 - (ii) the receiver of rent or revenue or the cultivator or the receiver of rent-in-kind requires it as a dwelling-house, or a store-house or other out-building and so requires it because of his connection with the land, and
 - (iii) (a) the land is assessed to land revenue in India, or is subject to a local rate assessed and collected by the Government Officers; or
(b) it is not situated within the jurisdiction of municipality with a population of ten thousand or more or within area, not being more than eight kilometres, from the local limits of any municipality, as the Central Government may notify in this behalf.
- (2) *Income from house property held for charitable or religious purposes [s. 11]*—Under section 11 of the Income-tax Act, 1961 the income derived from property held under trust wholly or partly for religious or charitable purposes is exempt from tax to the extent mentioned in the said section.
- (3) *Income from house property occupied for business purposes [s. 22]*—It excludes from its charge under the head "Income from house property" any such property or portions of such property as the assessee may occupy for the purposes of any business or profession carried on by him, the profits of which are chargeable to income-tax. The tax is automatically payable in respect of such property under the head "Profits and gains of business and profession" and any expenditure incurred in respect of such property by way of repairs, municipal taxes, etc. can be claimed as deduction against such profits. Depreciation in respect of such property can also be claimed as a deduction against such profits. It may, however, be noted that when a property consisting of residential quarters is let by an assessee to his employees and such letting is incidental to the carrying on the assessee's business, the income from such property is assessable under the head "Profits and gains of business and profession" under section 28 of the Income tax Act, 1961.

Persons liable to charge under the head "Income from house property" :

Under section 22, the legal "owner" is chargeable to income-tax under the head "Income from house property". However, sec. 27 provides that in certain circumstances persons other than the legal owner will be "deemed to be the owner" of such property. Such deemed persons are—

- (i) an individual who transfers otherwise than for adequate consideration any house property to his or her spouse, not being a transfer in connection with an agreement to live apart or to a minor child not being a married daughter, shall be deemed to be the owner of the house property so transferred ;
- (ii) the holder of an impartible estate shall be deemed to be the individual owner of all the properties comprised in the estate ;
- (iii) a member of a co-operative society to whom a building or part thereof is allotted or leased under a house building scheme of the society shall be deemed to be the owner of that building or part thereof.

Annual value of a house property :

Annual value—a notional figure : The basis of charge of income from house property is its "Annual value" (Section 22). The annual value is a legal conception. It may be deemed or notional or hypothetical figure arrived at on a consideration of several factors. Under section 23 of the Income-tax Act, 1961 the annual value shall be deemed—

- (a) the sum for which the property might reasonably be expected to let from year to year; or
- (b) where the property is let and the annual rent received or receivable by the owner in respect thereof is in excess of the sum referred to above in clause (a), the amount so received or receivable; whichever is higher. It follows that even if the property is not let and is retained by the owner for his own use, nevertheless the income would arise for charge. Therefore, there is an annual value both for owner occupied and tenant occupied property.

Determination of reasonable rent—The reasonable rent of house property is ordinarily arrived at with reference to the actual sum for which the property is being let or with reference to the annual value of the property as fixed by a municipality or a local authority for the purposes of levying municipal or local taxes; whichever is higher.

Where the tenant has, besides paying rent, undertaken the liability of the land-lord, the reasonable rent should be deducted as a sum in excess of the agreed rent, and, similarly where the land-lord has undertaken to bear tenant obligations as, for instance, payment of the electricity bills for fans and lights etc. on the premises used by the tenant, the *de facto* rents paid would have to be stepped down in order to arrive at a reasonable rent. In case, where the premises are let furnished, the annual value must be estimated exclusive of the furniture. The portion of the rent attributable to the furniture must come out and be taxed separately either under the head "Profits and gains from business or profession" or under the head "Income from other sources", as the case may be. But for the purpose of determining the value of the house property generally, the municipal valuation should be taken at the gross rental value without deducting therefrom any allowance for repairs and taxes. If municipal rateable value is computed after deducting from the gross rental value certain allowance for repairs and taxes, then the municipal rateable value should be increased by a sum equal to such allowance for repairs and taxes. If the property is let and the annual value received or receivable by the owner in respect thereof is in excess of the value as determined hereinbefore, then, the amount received or receivable shall be the annual value.

Net annual value of tenant-occupied property :

Deduction of taxes levied by a local authority—First proviso to s. 23 (1) lays down that where the house property is in the occupation of a tenant, the taxes levied by any local authority in respect of the property, such as, house tax, bhumi bhawan kar, halalkhor tax and education cess shall, to the extent such taxes are borne by the owner, be deducted in determining the annual value of the property. The words "tax levied" denotes the assumption of tax liability and not the actual payment of tax.

Concession in respect of newly constructed tenant-occupied property—Second proviso to s. 23 (1) grants a concession in the computation of annual value in respect of new residential units which are in the occupation of a tenant. The annual value of such newly constructed residential units is reduced to the following extent :—

- (a) in the case of a building, comprising one or more residential units, the erection of which is begun after the 1st day of April, 1961 and completed before the 1st day of April, 1970 or a period of three years from the date of completion of building, by a sum equal to the aggregate of—
 - (i) in respect of any residential unit whose annual value as so determined does not exceed six hundred rupees, the amount of such annual value;
 - (ii) in respect of any residential unit whose annual value as so determined exceeds six hundred rupees, an amount of six hundred rupees;
- (b) in the case of a building comprising one or more residential units, the erection of which is begun after the 1st day of April, 1961 and completed after the 31st day of March, 1970 for a period of five years from the date of completion of building by a sum equal to the aggregate of—

- (i) In respect of any residential unit whose annual value as so determined does not exceed one thousand two hundred rupees, the amount of such annual value ;
- (ii) in respect of any residential unit whose annual value as so determined exceeds one thousand two hundred rupees, an amount of one thousand two hundred rupees.
- (c) in the case of a building comprising one or more residential units, the erection of which is completed after the 31st day of March, 1978, for a period of five years from the date of completion of the building, be reduced by a sum equal to the aggregate of—
 - (i) in respect of any residential unit whose annual value as so determined does not exceed two thousand four hundred rupees, the amount of such annual value;
 - (ii) in respect of any residential unit whose annual value as so determined exceeds two thousand four hundred rupees, an amount of two thousand four hundred rupees.

It is also provided that the income in respect of any residential unit referred to in clause (a) or clause (b) or clause (c) above shall in no case be a loss as a result of such deduction.

Net annual value of self-occupied property :

When occupied by the owner—Section 23 (2) provides that in computing the annual value of house property which is in the occupation of the owner for the purposes of his own residence, a reduction of the sum equal to one-half of the annual value (*reasonable rent*) so determined or Rs. 1,800, whichever is less, shall be allowed in the annual value. In case where the assessee has more than two such residential houses, the deduction shall be available only in respect of one such residential house, which the assessee, at his option, may specify in this behalf. It is further provided that the annual value of the self-occupied property shall be limited to 10% of the aggregate of the assessee's all other incomes.

When not occupied by the owner for certain reasons—Section 23 (3) provides that where such property as in the occupation of the owner for the purposes of his own residence consists of one residential house only and it cannot actually be occupied by the owner by reason of the fact that owing to his employment, business or profession carried on at any other place he has to reside at that other place in a building not belonging to him, the annual value of such house shall be taken to be *nil*, if the assessee did not occupy the house during the whole of the previous year. If the assessee did occupy it for a part of the previous year, its annual value shall be taken in proportion of that part of the annual value determined under sub-sec. (2) of sec. (23). The grant of this relief to the assessee is subject to the conditions that the house is not actually let, and no other benefit therefrom is derived by the owner.

Sec. 24 (2) provides that the annual income in respect of such property shall in no case be a loss.

Deduction from income from house property [s. 24 (1)] :

Under sec. 24 (1), the income chargeable under the head "Income from house property" shall be computed after making the following deductions from the annual value determined under sec. 23 (2) :—

(1) *Repairs allowance [s. 24 (1) (i)]*—In respect of repairs a fixed allowance of a sum equal to one-sixth of the net annual value is granted if the property is either in the occupation of the owner or if it is in the occupation of a tenant the owner has undertaken to bear the cost of repairs. But where the tenant has undertaken to bear the cost of repairs the allowance will be limited to the difference between the annual value and the amount of rent payable and, in no case, it will exceed the sum equal to one-sixth of the net annual value.

The deduction in respect of repairs shall be granted automatically, whether or not any sum is proved to have been spent on repairs by any part. Even when an allowance is given for vacancies, the deduction should be granted in full.

(2) *Insurance premium [s. 24 (1) (ii)]*—The amount of any premium paid to insure the property against risk of destruction of property, such as, fire, earth quake, etc is allowed from the net annual value of the property. Proof of payment of premia is rendered necessary.

(3) *Annual charge [s. 24 (1) (iv)]*—Where the property is subject to an annual charge, the amount of such charge is allowed from the net annual value of the property: provided that

such annual charge does not amount to a capital charge and is not a charge voluntarily created by the assessee.

The "annual charge", in order to be eligible for deduction, need not have been actually paid or discharged.

(4) *Ground rent* [s. 24 (1) (v)]—Where the property is subject to a ground rent, the amount of such rent is allowed from the net annual value of the property.

The claim for ground rent does not arise as and when it is paid, but it arises independently thereof in each previous year and will be claimable in each previous year in respect of the ground rent for that year,

(5) *Interest on borrowed capital* [s. 24(1) (vi)] —Any interest on money borrowed for acquiring, constructing, repairing, renewing or reconstructing the property is deductible. It is not necessary that the loan so borrowed or the interest payable thereon is secured by a charge on property.

The interest need not be proved to have been paid. It is enough that under the terms of the loan, the liability of interest has matured. Apart from interest, no deduction is allowable under this clause for any brokerage or commission expenses incurred for arranging the loan.

(6) *Land revenue* [s. 24(1) (vii)] —Any sums paid on account of land revenue or any other tax levied by the State Government in respect of the property is allowed from the net annual value of the property. Proof of payment of such taxes is rendered necessary.

(7) *Collection charges* [S. 24 (1) (viii)]—Any sum spent to collect the rent from the property, not exceeding 6% of the net annual value of the property is deductible.

The expenditure to collect the rent would include the salary of an employee engaged for the purpose, or the commission due to a broker or a commission agent who does the business of collection generally. It would also include expenditure incurred in civil suits or litigations, to recover the arrears of rent when not paid. Only the net expenses incurred in the litigation, viz., net after deduction of any costs recovered from the opposite party, may be deducted.

The owner himself making the collection would be entitled to claim as a deduction only such actual cost as he might have incurred by way of conveyance charges to meet the tenants or such charges as he might have incurred by way of postal correspondence with the tenants etc. He cannot claim any remuneration for his labour.

(8) *Vacancy allowance* [s. 24 (1) (ix)]—Where the property is let and remains vacant during a part of the year, a deduction of a part of the net value proportionate to the period of vacancy is allowed from the net annual value of the property. The vacancy allowed under this clause shall be made irrespective of whether the period during which the property or, as the case may be, part of the property was vacant precedes or follows the period during which it is let.

(9) *Allowance in respect of lost or irrecoverable rents* [s. 24 (1) (x)]—The amount in respect of rent from property let to a tenant which the assessee cannot realise, is allowed as deduction from annual value of the property, subject to the provisions contained in Rule 4 of the Income-tax Rules, 1962. The said Rule 4 lays down that under clause (x) of sub-sec. (1) of sec. 24 deduction shall be allowed of such part of income in respect of which tax is payable under the head "Income from house property" as is equal to the amount of rent payable but not paid by a tenant of the assessee and so proved to be lost and irrecoverable where—

- (a) the tenancy is *bonafide*;
- (b) the defaulting tenant has vacated, or steps have been taken to compel him to vacate the property;
- (c) the defaulting tenant is not in occupation of any other property of the assessee;
- (d) the assessee has taken all reasonable steps to institute legal proceedings for the recovery of the unpaid rent or satisfies the Income-tax Officer that legal proceeding would be useless; and
- (e) the annual value of the property to which the unpaid rent relates has been included in the assessed income of the previous year during which that rent was due and tax has been duly paid on such assessed income :

Provided that the deduction to be allowed on this account shall not exceed the income under the head "Income from house property" included in the total income as computed without making any deduction under this rule.

It would mean that the quantum of relief under this clause is limited to the extent of a year's rent and any unabsorbed part of the irrecoverable rent can be carried forward to a subsequent year.

Property owned by co-owners :

Section 26 provides that where property consisting of buildings and lands appurtenant thereto is owned by two or more persons and their respective shares are definite and ascertainable, such persons shall not, in respect of such property, be assessed as an association of persons but the share of each such person in the income from property is to be included in their respective total income.

Under explanation to section 26 it is provided that where a property is used by co-owners for self-residence, each such co-owner will be individually entitled to self-occupation allowance under section 23(2), i.e., one half of the annual value or Rs. 1,800; whichever is less.

Example 1 : Mr. X is the owner of a house property. The property was constructed in 1973 and has four residential units. The fair rental value of the property is Rs. 24,000. The property is let for Rs. 20,000. Besides, he has incurred the following expenses :

—House tax	Rs. 1,440
—Water tax	Rs. 1,200
—Insurance premium paid against fire risk	Rs. 1,000
—Ground rent	Rs. 1,200
—Interest on capital borrowed for construction of building	Rs. 6,000
—Collection charges	Rs. 400

To compute the income from house property.

Solution :

Computation of income from house property

—Fair rent		Rs. 24,000
Less : —House tax	Rs. 1,440.00	
—Water tax	Rs. 1,200.00	Rs. 2,640
		Rs. 21,360
Less : —Reduction under second proviso to section 23(1) at Rs. 1,200 per unit		Rs. 4,800
	Net annual value	Rs. 16,560
Less : —Deductions allowable [s. 24(1)]:		
—1/6th in respect of repairs	Rs. 2,760.00	
—Insurance premium paid	Rs. 1,000.00	
—Ground rent	Rs. 1,200.00	
—Interest on borrowings	Rs. 6,000.00	
—Collection charges (Being less than 6% of net annual value)	Rs. 400.00	Rs. 11,360
	Chargeable income	Rs. 5,200

Example 2 : Mr. X died in 1966 leaving behind his widow and three sons. In his will he directed that after his death the property will belong to wife and three sons equally and each one will have one-fourth share in property as well as its income. The assessee had received a rent of Rs. 18,000 for the three-fourth portion. One-fourth property is occupied for self residence by X's widow and his sons and the balance is let. The municipal tax amounting to Rs. 2,000 is borne by the owner of the property. Other expenses in relation to the above property are asunder :—

—Ground rent	Rs. 2,000.00
—Fire insurance premium paid	Rs. 800.00

To compute the income from house property.

Solution :

Computation of income from house property (Let out portion)

—Rent Received		Rs. 18,000.00
Less : —House tax ($\frac{3}{4}$)		Rs. 1,500.00
		<u>Rs. 16,500.00</u>
Less : —Deduction allowable [s. 24(1)]:		
— $\frac{1}{6}$ th in respect of repairs	Rs. 2,750.00	
—Ground rent ($\frac{3}{4}$)	Rs. 1,500.00	
—Fire insurance premium ($\frac{3}{4}$)	Rs. 600.00	Rs. 4,850.00
		<u>Rs. 11,650.00</u>

The share of each co-owner in respect of let out portion will be as under :—

Mrs. X	Rs. 2,912.50
Elder son	Rs. 2,912.50
Second son	Rs. 2,912.50
Third son	Rs. 2,912.50

Computation of income from house property for self residence

Fair Rent		Rs. 6,000.00
Less : —House tax ($\frac{1}{4}$)		Rs. 500.00
		<u>Rs. 5,500.00</u>
Less : —Claim for self occupation [s. 23(2)]:		
(i) $\frac{1}{2}$ of Rs. 5,500	Rs. 2,750	
(ii) Ceiling limit Rs. 1,800 for each co-owner	Rs. 7,200	
Lower of the two is allowable		Rs. 2,750.00
		<u>Rs. 2,750.00</u>

Less : —Deduction allowable [s. 24(1)]:

— $\frac{1}{6}$ th in respect of repairs	Rs. 458.00	
—Ground rent	Rs. 500.00	
—Fire insurance premium	Rs. 200.00	Rs. 1,158.00
		<u>Rs. 1,592.00</u>

The share of each co-owner in respect of self residence portion will be as under :—

Mrs. X	Rs. 398.00
Elder son	Rs. 398.00
Second son	Rs. 398.00
Third son	Rs. 398.00

PROFITS AND GAINS OF BUSINESS OR PROFESSION.

Sum Chargeable :

Under section 28 of the Income-tax Act, 1961, profits and gains of any business or profession are chargeable to tax provided the business or Profession is carried on by the assessee at any time during the previous year.

Business :

Under section 2(13) of the Income-tax Act, "Business" includes any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture.

Profession :

Under section 2(36) of Income-tax Act, "Profession" includes vocation.

"Profession" involves the idea of an occupation requiring purely intellectual skill or manual skill controlled, as in painting and sculpture or surgery etc., by the intellectual skill of the operator.

"Vocation" means the way in which a man passes his life.

RECEIPTS DEEMED TO BE PROFITS AND GAINS OF BUSINESS :

(i) Recoupment of loss or expenditure or remission of liability [s. 41(1)] :

Where an assessee has been granted an allowance or deduction in respect of loss, expenditure or trading liability incurred by him in the assessment for any year and subsequently during any previous year he receives, whether in cash or in any other manner whatsoever, any amount in respect of such loss or expenditure or any benefit by way of remission or cessation of such trading liability, the amount received or the value of the benefit accruing to him is chargeable as business profit of that previous year.

(ii) Balancing charge [s. 41(2) and 41(2A)] :

Where an assessee is able to recover more than the written down value of an asset inclusive of building, structure etc. sold, the excess amount recovered subject to the total depreciation allowed in the past is taxed as balancing charge.

If the price exceeds the cost of the asset, such excess is to be taxed as 'capital gain'

(iii) Balancing charge in respect of scientific research asset [s. 41(3)] :

Where an item of asset representing capital expenditure on scientific research after having been in use for some years is sold in a later year, and the sale proceeds together with the total deduction u/s 35(2)(i) or 35(2)(ia) exceed the amount of capital expenditure thereon, then the excess or the amount of deduction so made, whichever is less, shall be chargeable to income-tax as income of the business or profession of the previous year in which the sale took place.

(iv) Bad debts recovered [s. 41(4)] :

Where a deduction has been allowed in respect of a bad debt or part of debt u/s 36(1)(vii), then, if the amount subsequently recovered on any such debt or part is greater than the difference between the debt or part of debt and the amount so allowed, the excess shall be chargeable to tax under the profits and gains of business or profession. It is not necessary that the business or profession should be in existence in the year of recovery.

(v) Receipts of discontinued profession [s. 176(4)] :

Where any profession is discontinued in any year on account of the cessation of the profession by, or the retirement or death of, the person carrying on the profession, any sum received after the discontinuance shall be deemed to be the income of recipient and charged to tax in the year of receipt.

For the purpose of computing the taxable income from business or profession the following deductions are allowed :

Deductions allowable in computing income from business or profession :

- (i) Rent rates, taxes, repairs and insurance for premises used for the purpose of business or profession [s. 30].
- (ii) Current repairs and insurance against risk of damage or destruction in respect of machinery, plant or furniture used for the purpose of business or profession. [s. 31]

- (iii) Depreciation Allowance [s. 32]. For details see chapter "Depreciation".
- (iv) Investment Allowance [s. 32A]. For details see chapter "Investment Allowance".
- (v) Development Rebate [s. 33]. For details see chapter "Development Rebate".

(vi) Development allowance [s. 33A] :

In the case of tea industry, a development allowance is admissible for plantation in new areas at 50 per cent. of the actual cost of planting and for replantation of tea bushes in existing plantations, at 30 per cent. of the actual cost of replanting. The deduction is admissible in two stages. The allowance will at first be computed in the accounting year next following the year in which the land was prepared for planting or replanting with reference to the actual cost of the planting or replanting upto that period. Thereafter, the development allowance will be computed in the fourth accounting year from the accounting year in which the land was prepared for planting or replanting and if the amount computed in this year is greater than the deduction allowed, then the excess will be allowed as deduction in the fourth accounting year.

(vii) Rehabilitation allowance [s. 33B] :

Where the business of any industrial undertaking carried on in India is discontinued in any previous year by reason of extensive damage to, or destruction of, any building, machinery, plant or furniture owned by the assessee and used for the purpose of such business as a direct result of

- (i) flood, typhoon, hurricane, cyclone, earthquake or other convulsion of nature; or
- (ii) riot or civil disturbance; or
- (iii) accidental fire or explosion; or
- (iv) action by an enemy or action taken in combating an enemy (whether with or without a declaration of war),

and, thereafter, at any time before the expiry of three years from the end of such previous year, the business is reestablished, reconstructed or revived by the assessee, he shall, in respect of the previous year in which the business is so reestablished, reconstructed or revived, be allowed a deduction of a sum by way of rehabilitation allowance equivalent to sixty per cent. of the amount of the deduction allowable to him under clause (iii) of sub-section (1) of section 32 in respect of the building, machinery, plant or furniture so damaged or destroyed.

This allowance is only available to an industrial undertaking which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacturing or processing of goods or in mining.

(viii) Expenditure on scientific research [s. 35] :

The following expenditure on scientific research are allowed as deduction:—

(a) Revenue expenditure:

- (i) Any sum spent by the assessee on scientific research related to the business (not being of capital nature) is allowed in entirety as business expenditure. The provision is analogous to section 37 (1) which permits deduction of any expenditure laid out or expended wholly and exclusively for the purposes of business [s. 35 (1)(i)].

The Direct Taxes (Amendment) Act, 1974 has added an Explanation to this section so as to provide that revenue expenditure incurred by the assessee after 31st March, 1973 on payment of salary to research personnel and on material inputs during the period of three years immediately preceding the commencement of the business will be regarded as having been laid out or expended in the previous year in which the business is commenced. The deduction will be limited to the amount certified by the prescribed authority to have been actually spent on the qualifying items. For this purpose, "salary" will have the meaning assigned to it in Explanation 2 of sub-section (5) of section 40A of the Income-tax Act, 1961.

- (ii) Instead of assessee himself spending on scientific research, he may subsidise any scientific research association or any university, college or other institution engaged in scientific research in which event, such subsidy would be allowed as an expense. The association university, college or other institution should,

however, be one approved for the purposes of this clause by the prescribed authority. The subsidy is allowed to be deducted even though the research conducted by the institutions is unconnected with the assessee's business [s. 35(1)(ii)].

The Direct Taxes (Amendment) Act, 1974 has inserted a new sub-section (2A) in section 35 under which a weighted deduction equal to one and one-third times of the actual expenditure incurred by an assessee after 31st March, 1973 on sponsored research in approved laboratories will be allowed. It is not necessary that the sponsored research should be related to the assessee's business but the weighted deduction will be allowed only if the scientific research is undertaken by a scientific research association or a university or a college or other institutions referred to in sec. 35 (1)(ii) under a programme approved by the prescribed authority having regard to the social, economic and industrial needs of the country. Where a deduction is allowed under the new sub-section (2A) of section 35, no deduction in respect of the same expenditure will be allowed under section 35 (1)(ii).

- (iii) Any sum paid to a university, college or other institutions to be used for research in social science or statistical research related to the class of business carried on by the assessee is also deductible, provided the university, college or other institution is one approved for the purposes of this clause by the prescribed authority [s. 35 (1)(iii)].

Rule 6 of the Income-tax Rule, 1962 provides that the "prescribed authority" referred to above shall be the Indian Council of Agricultural Research, the Indian Council of Medical Research or the Indian Council of Social Science Research or the Secretary, Department of Science and Technology Government of India or any other officer of that department nominated by him in that behalf, as may be, appropriate to the nature of the scientific research in question.

(b) Capital expenditure:

- (iv) The assessee is entitled to a deduction in respect of capital expenditure incurred by him on scientific research, provided it is related to the business carried on by him [s. 35 (1)(iv)] :
- (a) in respect of capital expenditure incurred before 1st April, 1967, one-fifth of the capital expenditure incurred in any previous year shall be deducted for that previous year; and the balance of the expenditure shall be deducted in equal instalments for each of the four immediately succeeding previous years [s. 35 (2)(i)] :
- (b) in respect of capital expenditure incurred after 31st March, 1967, the whole of such capital expenditure incurred in any previous year shall be deducted for that previous year [s. 35 (2)(ia)].

Vide Explanation to clauses (i) and (ia) to section 35(2), any capital expenditure on scientific research incurred within three years immediately preceding the commencement of the business is deemed to be incurred in the previous year in which the business is commenced.

Amortisation of the Cost of Patent Rights and Copyrights [S. 35A]

Capital expenditure incurred after 28th February, 1966 on acquisition of patent rights or copy rights is allowed to be amortised in equal annual instalments over a period of 14 years. Where the rights had commenced before these were acquired by a tax-payer, the period of 14 years will be reduced by the number of complete years which had elapsed since the acquisition of the rights.

Export markets development allowance [s. 35B] :

The Finance Act, 1968 provides for the grant of Export Markets Development Allowance in the form of a weighted deduction from income of an amount equivalent to one and one-third times of the expenditure incurred by a resident tax-payer (other than a foreign company) on export promotion. The Direct Taxes (Amendment) Act, 1974 has increased the amount of weighted deduction to one and one-half times the amount of actual expenditure incurred after 28.2.73 in case of domestic companies in which public are substantially interested.

To be admissible, the expenditure must be incurred after 29-2-68 and relate to the goods, services or facilities dealt in or provided by the tax-payer in the course of his business and should fall under one or more of the following heads :

- (i) advertisement or publicity outside India in respect of the good, services or facilities which the assessee deals in or provides in the course of his business, before the 1st day of April, 1978
- (ii) obtaining information regarding foreign markets for such goods, services or facilities;
- (iii) distribution, supply or provision outside India, of such goods services or facilities, not being expenditure incurred in India in connection therewith or expenditure (wherever incurred) on the carriage of the goods to their destination outside India or on the insurance of such-goods while in transit, before the 1st day of April, 1978.
- (iv) maintaining abroad, a branch, office or agency for promotion of the sale outside India of such goods, services or facilities;
- (v) preparation and submission of tenders for the supply or provision outside India of such goods, services or facilities and activities incidental thereto;
- (xi) supply or samples or technical information for the promotion of the sale of such goods, services or facilities outside India.
- (vii) travelling outside India, for the promotion of the sale outside India of such goods, services or facilities, including travelling outward from, and return to India;
- (viii) performance of services abroad in connection with or incidental to the execution of any contract for supply outside India of such goods, services or facilities;

There is provision for the Government to notify any other heads of expenditure qualifying for the deduction. The deduction is available whether the expenditure is incurred by the tax-payer directly or through participation in joint export promotion arrangements.

With effect from 1st April, 1978, following resident tax-payers only will be entitled to a weighted deduction equal to one and one third time of the expenditure incurred (mentioned above) on export market development while computing the total income

- (i) Export Houses recognised by the Ministry of Commerce;
- (ii) Small-scale exporters who export goods manufactured or produced in any small-scale industrial undertaking or undertakings owned by them provided that such persons do not own any industrial undertaking which is not a small-scale industrial undertaking;
- (iii) Consultancy firms providing technical know-how within the meaning of sub-section 2 of section 80MM.

Agricultural development allowance [S. 35-C] :

This incentive is available to companies and co-operative societies which use the products of agriculture, animal husbandry or dairy or poultry farming, as a raw material for their manufacturing and processing activities in the form of a 'weighted deduction' from income, equal to one, and one-fifth times the amount of expenditure incurred on the following items. In other way, we may say, that the expenditure incurred by a company on agricultural development is subsidised to the extent of 20% through this weighted deduction.

- (i) Provision of fertilisers, seeds, pesticides, concentrates for cattle and poultry feed, tools or implements, for use by cultivators, growers or producers of the raw material used by the company;
- (ii) dissemination of information on, or demonstration of modern techniques or method of agriculture, animal husbandry or dairy or poultry farming or advice on such techniques or methods;

The Government has the power to notify any other goods, services or facilities, which will qualify for the "weighted deduction."

The allowance is admissible in respect of expenditure incurred after February 29, 1968. The expenditure may be incurred by the company or co-operative society directly or through association and bodies approved by the Government for this purpose.

Rural development allowance [S. 35 CC]

This section provides for the deduction, in the computation of taxable profits, of expenditure incurred by a company and a co-operative society after 30th June, 1977 on a programme of rural development. The deduction will be admissible only in cases where the previous approval of the prescribed authority has been obtained to the programme of rural development. Where expenditure incurred by the company results in the acquisition or creation of an asset, being building, machinery, plant or furniture and the Company does not divest itself of the ownership of such asset during the relevant previous year, the company will not get deduction in respect of such expenditure, but it will be entitled to the grant of depreciation

allowance in respect of such asset. The companies/co-operative societies claiming deduction under this section shall be required to furnish alongwith the return of income, a statement of such expenditure in the prescribed form, duly signed and verified in the prescribed manner by a chartered accountant and containing such other particular as may be prescribed.

The provisions of this section shall take effect from 1st April, 1978 and will accordingly apply in relation to assessment year 1978-79 and subsequent years.

Payment to Associations and Institutions for carrying out rural development programmes [S. 35 CC A]

This section provides for deduction in the computation of the taxable profits of expenditure incurred by an assessee engaged in a business or profession by way of payment of any sum, to an association or institution having the object of undertaking any programme of rural development to be used for the purpose of carrying out such programme. The deduction will be admissible only in cases where the association or institution is approved by the prescribed authority and the approval of the prescribed authority has been obtained by such association or institution in respect of such programme. The interministerial committee headed by the secretary (Agriculture) which has been notified as the prescribed authority for the purposes of section 35 CC of the Income-tax Act, will be the prescribed authority for the purpose of this provision.

The provisions of this section will take effect from 1st June, 1978 and will accordingly apply in relation to assessment year 1979-80 and subsequent years.

Amortisation of preliminary expenses [S. 35-D] : *(i. e., expenses on market and other surveys and on feasibility and project reports etc.)*

This incentive would enable any Indian company or any resident tax-payer other than a company to amortise preliminary expenses incurred for setting up of a new industrial unit or extension of an industrial undertaking. The amortisation will be allowed against profits in 10 equal annual instalments beginning with the accounting year in which the extension of the industrial undertaking is completed or the new unit commences production or operation. The following types of preliminary expenses are admissible for amortisation;

- (a) expenditure on :
 - (i) preparation of feasibility report;
 - (ii) preparation of project report;
 - (iii) conducting market survey or any other survey necessary for the business of the assessee; and
 - (iv) engineering services relating to the business of the assessee. This expenditure is admissible only where the work is done by the assessee himself or by a concern which is approved for this purpose by the Central Board of Direct Taxes.
- (b) Legal charges for drafting any agreement between the assessee and any other person for any purpose relating to setting up of or conduct of business of the assessee, and
- (c) Where the assessee is an Indian Company.
 - (i) legal charges for drafting the Memorandum and Articles of Association of the company;
 - (ii) expenditure on printing of the Memorandum and Articles of Association;
 - (iii) fees for registering the company under the companies Act, 1956; and
 - (iv) expenditure incurred in connection with the issue, for public subscription of shares in or debentures of the company by way of under-writing commission, brokerage and charges for drafting, typing printing and advertisement of the prospectus.
 - (v) such other expenditure as may be prescribed.

The aggregate amount of expenditure qualifying for amortisation will be limited to—

- (i) either 2.5 per cent. of the cost of project i.e., the actual cost of fixed assets; or

- (ii) in the case of and at the option of a company, 2.5 per cent. of the capital employed in its business i.e. the aggregate of issued share capital, debentures and long-term borrowings including moneys borrowed from abroad for purchase of capital plant and machinery.

Both the actual cost of the fixed assets and the capital employed in a company's business will be taken as shown in the assessee's account books as on the last date of the accounting year in which business commences, or the new unit commences production or extension of existing undertaking is completed. Further, in a case where the preliminary expenses are incurred for setting up of a new unit or for extension of the industrial undertaking, the cost of project of the capital employed in the company's business, will be that which pertains to the setting up of the new unit or extension of the industrial undertaking. In case of assessee other than a company or a co-operative society, no deduction shall be admissible under this section unless the accounts are audited by a chartered accountant and audit report in the prescribed form i.e., 3B is furnished alongwith the return.

Amortisation of expenditure on prospecting for, and development of certain minerals
[Sec. 35-E] :

An Indian Company or a resident tax payer other than company is entitled to amortisation of expenditure incurred on operation relating to prospecting for and development of, specified minerals, after March 31, 1970, during a period of 5 years ending with the accounting year in which the commercial production of the mineral starts. It is immaterial whether these operations prove out to be infructuous or abortive. The amortisation will be allowed in 10 equal instalments over a ten year period beginning with year in which the commercial production of the mineral starts and the deduction will be allowed against the profits from the commercial production of mineral or minerals, whether established as a result of operations of prospecting for and development in question or otherwise.

The expenditure qualifying for amortisation will, however, not include (a) expenditure on acquisition of the site of the source of the mineral or the rights in or over the site, (b) expenditure on acquisition of the deposits of the mineral or any rights in or over the deposits; and (c) expenditure of a capital nature on any building, machinery, plant or furniture for which depreciation is admissible under the provision of the Income-tax Act.

Insurance against risk of damage of destruction of stocks and stores [Sec. 36 (1)(i)] :

The amount of insurance premium paid to cover such risk is an admissible deduction under section 36 (1) (i) of the Income-tax Act provided the stores or stocks are used for the purposes of business or profession.

Bonus or commission paid to employees [Sec 36 (1) (ii)] :

Any sum paid to an employee as bonus or commission for services rendered is an allowable deduction under section 36(1)(ii) of the Income-tax Act provided such sum would not have been payable to him as profit or dividend, if it had not been paid as bonus or commission. It is further provided that the amount of bonus paid to an employee employed in a factory or other establishment to which the provisions of the Payment of Bonus Act, 1965 apply, shall not exceed the amount of bonus payable under the Payment of Bonus Act, 1965.

In case of assessees where the provisions of the Payment of Bonus Act, 1965 do not apply, the amount of bonus or commission should be reasonable with reference to

- the pay of the employee and the conditions of his service;
- the profits of the business or profession for the previous year in question; and
- the general practice prevailing in similar business or profession.

Interest on borrowed capital [Sec. 36 (1) (iii)] :

Interest paid on capital for the purposes of business or profession is an allowable deduction under section 36 (1)(iii) except;

- interest paid by a firm to any partner which is to be disallowed under section 40(b); and
- interest which is payable outside India (not being interest on a loan issued for public subscription before 1.4.38) is to be disallowed under section 40(a)(i) if no tax is deducted thereon at source or in respect of which there is no person in India who could be treated as agent of the non-resident under section 163.

Contributions towards recognised provident fund or an approved superannuation fund [S. 36 (1) (iv)] :

Such contributions will be allowed as deduction under section 36 (1) (iv) of the income tax Act, subject to the prescribed limits (as per part A & B of the Fourth Schedule of the income tax Act).

Contributions towards an approved gratuity fund [S. (36) (1) (v)]:

Under section 36 (1) (v). any sum paid by the assessee as an employer by way of contribution towards an approved Gratuity Fund created by him for the exclusive benefit of his employees under an irrevocable trust is an allowable deduction.

Deduction in respect of animals used for business which have died or become permanently useless [S. 36 (1) (vi)]

In respect of animals used for the purposes of business or profession (but not as stock-in-trade) who have died or become permanently useless, the difference between the actual cost to the assessee, of the animals and the amount, if any realised in respect of carcasses or animals will be allowed as a deduction.

Bad debts [S. 36(1)(Vii)]

A deduction is to be allowed in respect of any debt or part thereof which is established to have become bad or irrecoverable in the previous year subject to the following conditions laid down in section 36(2) :

- (i) The debt has been taken into account in computing the income of that previous year or of an earlier previous year;
- (ii) In case of banking or money lending business carried on by the assessee, the debt represents money lent in the ordinary course of such business of banking or money lending which is carried on by the assessee.
- (iii) The debt has been written off as irrecoverable in the accounts of the assessee for that previous year in which it is claimed to have become bad.

Premature write off bad debt [S. 36(2)(iii)]:

Where a debt had been written off as irrecoverable in the books of account of an earlier previous year but no deduction was allowed by the Income-tax Officer for that year on the ground that it had not been established to have become a bad debt in that year, the deduction is to be allowed in the year in which according to the Income-tax Officer the debt becomes irrecoverable.

Where debt is held to have become bad earlier than the year in which it is written off as irrecoverable:

Where a claim for bad debt written off in the accounts of the previous year is disallowed by the Income-tax Officer on the ground that such debt had become bad in any earlier previous year and the assessee accepts such a finding of the Income-tax Officer, then the assessment of the year in which the debt is held to have become bad will be rectified under section 155 (6) of the Income-tax Act for the purpose of allowing such deduction, provided such year does not fall beyond a period of four years immediately preceding the year of write off.

Recovery of any bad debt:

Under section 36 (2) (ii) of the Income-tax Act, if the amount ultimately recovered on any bad debt is less than the difference between the debt and the deduction allowed in respect thereof, the deficiency shall be deductible in the previous year in which the ultimate recovery is made.

Expenses deductible from commission earned by life insurance agents (Refer C.B.D.T, Circular F. No. 14.9.65-I.T. (A1) dt. 22.9.65)

Where detailed accounts are not maintained by insurance agents regarding expenses incurred in earning the insurance commission adhoc deduction of expenses are allowed at the following rates—

- (a) Where separate figures are available in respect of the first year's commission and the renewal commission:
- at 40% of the first year's commission; and
 - at 15% of the renewal commission.
- (b) Where separate figures are not available in respect of the first year's commission. The above deduction is to be restricted to:—

- Rs. 6,000 per annum where the gross insurance commission does not exceed Rs. 20,000; and
- Rs. 10,000 per annum where the gross commission exceeds Rs. 20,000,

General [S. 37] :

Any other expenditure not specifically covered by section 30 to 36 and section 80V of the Income-tax Act and which is not in the nature of capital expenditure or personal expense of the assessee is to be allowed as a deduction under section 37 (1) of the Income-tax Act if it is laid out or expended wholly and exclusively for the purposes of business or profession.

Expenditure on advertisement [Rule 6B] :

The allowance in respect of expenditure on advertisement shall not exceed Rs. 50/- on each such article which is intended for presentation.

Expenditure in connection with travelling [Rule 6D] :

- Expenditure on Travelling outside India—The allowance in respect of expenditure incurred by an assessee in connection with travelling by an employee or any other person outside India for the purpose of the business or profession of the assessee shall not exceed the amount which bears to the aggregate of the amount, if any, covered by foreign exchange granted or permitted to be acquired for the purpose of such travel under the law relating to foreign exchange for the time being in force and the amount expended on such travel in Indian currency, the same proportion of the days spent for the purposes of the business and other purposes.
- Expenditure on travelling inside India—The allowance in respect of expenditure incurred by any assessee in connection with travelling by an employee or any other person within India outside the headquarter of such employees for the purposes of business or profession of the assessee shall be limited to the aggregate of the amounts computed as under:—
 - in respect of travel by rail, road, waterway or air, the expenditure actually incurred.
 - in respect of any other expenditure (including hotel expenses or allowance paid) in connection with such travel, an amount calculated at the following rates for the period spent outside such headquarter.

	If the stay of the employee is at Bombay, Delhi & Calcutta		If the stay is at any other place	
	From 1-4-72 to 31.3.76	From 1.4.76 to onwards	From 1.4.72 to 31.3.76	From 1.4.76 to onwards
(1) in respect of an employee whose salary is Rs. 1000/- per month or more or any other person.	Rs. 120/- per day or part thereof	Rs. 150/- per day or part thereof	Rs. 80/- per day or part thereof	Rs. 100/- per day or part thereof
(2) In respect of any other employee.	Rs. 60/- per day or part thereof	Rs. 75/- per day or part thereof	Rs. 40/- per day or part thereof	Rs. 50/- per day or part thereof

Provided that where such persons stay free of charge in a guest house maintained by the assessee at such place, then the amount under this clause shall be calculated at 1/3rd of the aforesaid rates and where lodging only is provided free of charge, then the amount under this clause shall be calculated at 1/2 of the aforesaid rates.

AMOUNTS NOT DEDUCTIBLE FROM BUSINESS INCOME [Ss. 37, & 40 40A] :

Expenditure on entertainment [S. 37 (2)] :

The expenditure incurred in India (but not outside India) is not allowable as business expenditure in the assessment year 1976-77

The Finance Act, 1976 has deleted the sub-section (2B) of Section 37. Hence with effect from assessment year 1977-78 the expenditure incurred on entertainment will be allowed as business expenditure u/s 37 (2A) to the following extent :

- | | |
|--|--|
| (i) on the first Rs. 10,00,000 of the profits and gains of the business or profession (computed before making any allowance under section 32A, section 33 or section 33A or in respect of entertainment expenditure) | at the rate of 1/2 per cent, or Rs. 5,000, whichever is higher |
| (ii) on the next Rs. 40,00,00 of the profits and gains of the business or profession (computed in manner aforesaid) | at the rate of 1/4 per cent. |
| (iii) on the next Rs. 1,20,00,000 of the profits and gains of the business or profession (computed in the manner aforesaid) | at the rate of 1/8 per cent. |
| (iv) on the balance of the profits and gains of the business or profession (computed in the manner aforesaid) | nil |

Disallowance of a part of expenditure on advertisement, publicity and sales promotion [S. 37 (3A)]

Where the aggregate expenditure incurred by an assessee on advertisement, publicity and sales promotion in India exceeds Rs. 40,000 then the sum to the extent mentioned below shall not be allowed—

- | | |
|--|--|
| (i) Where such aggregate expenditure does not exceed 1/4 percent of the turnover or the gross receipt of the business or profession. | 10 percent of the adjusted expenditure |
| (ii) Where such aggregate expenditure exceeds 1/4 percent but does not exceed 1/2 percent of the gross receipts of the business or profession. | 12.5 percent of the adjusted expenditure |
| (iii) Where such aggregate expenditure exceeds 1/2 percent of the turnover or the gross receipts of the business or profession. | 15 percent of the adjusted expenditure. |

"Adjusted Expenditure" means the aggregate expenditure incurred by the assessee on advertisement, publicity and sales promotion in India as reduced by so much expenditure as is not allowed under sub-section (1) and as further reduced by so much of such expenditure as is not allowed under sub-section (3) of section 37.

"Turnover" and "Gross Receipts" mean turnover or gross receipts, as the case may be, as reduced by any discount or rebate allowed by the assessee.

No disallowance under section 37(3A) will be made in the following cases :-

- (i) Where the aggregate expenditure on advertisement, publicity and sales promotion in India does not exceed Rs. 40,000/-
- (ii) Where the expenditure is incurred by an assessee on the following :—
 - (a) advertisement in any small newspaper whose average circulation in the year in which advertisement has been published, does not exceed 15,000 copies;
 - (b) advertisement in any newspaper for recruitment of personnel;
 - (c) the publication in any newspaper of any notice required to be published by or under any law;
 - (d) maintenance of any office for the purpose of advertisement, publicity or sales promotion;
 - (e) the payment of salary as defined in clause 1 of section 17 to any employee engaged in advertisement, publicity or sales promotion;
 - (f) the holding of, or the participation in, any press conference, sales conference, trade convention, trade fair or exhibition;
 - (g) publication and distribution of journals, catalogues or price-lists; and
 - (h) such other items as may be prescribed by the Central Board of Direct Taxes.

- (ii) Where the expenditure on advertisement, publicity and sales promotion is incurred outside India ; and
- (iii) Where a taxpayer has set up an industrial undertaking for the manufacture or production of any articles and the expenditure is incurred by the taxpayer for the purposes of the business of such undertaking for a period of three accounting year, namely, the accounting year in which such undertaking begins to manufacture or produce articles and the two accounting years immediately following that year.

The provisions of this section shall take effect from 1st April 1979 and will accordingly apply in relation to assessment year 1979-80 and subsequent years-

Withdrawal of expenditure incurred on the maintenance of Guest House [S. 37(4)]:

Any expenditure incurred after 28.2.1970 on the maintenance of a guest house including the rent paid where such premises have been hired will not be allowed as a deduction from business profits. Depreciation on the building used as guest house where it is owned by the assessee and on other assets used in the guest house will not be allowed for and from the assessment year 1971-72. If any amounts are received from the persons using the guest house only the excess of maintenance charges and depreciation over such receipts will be disallowed in computing the business income.

However, in case where the guest house is maintained as a holiday home and is maintained by an assessee who has throughout the previous year employed not less than one hundred whole time employees in a business or profession carried on by him & is intended for the exclusive use of such employees while on leave, the expenditure incurred in maintenance of such guest house will not be disallowed.

Other expenditures not deductible [S. 40 & 40A]

The following amounts are not admissible deductions for the purpose of computing income from business or profession:

- (i) Any interest chargeable under the income-tax Act, which is payable outside India (not being interest on a loan issued for public subscription before 1-4-38) on which tax has not been paid or deducted at source or in respect of which there is no person in India who may be treated as an agent under section 163 [S. 40 (a) (i)];
- (ii) Any payment which is chargeable under the head "salary" if it is payable outside India and the tax had not been paid thereon and nor deducted at source [S. 40 (a) (iii)];
- (iii) In the case of any firm, any payment of interest, salary, bonus, commission or remuneration made by the firm to any partner of the firm [S. 40 (b)];
- (iv) In the case of a company, any provision of remuneration or benefit or amenity to a director or to a person who has a substantial interest in the company or to a relative of the director or of such person, as the case may be, as also expenditure or allowance in respect of any assets of the company which are used by such persons for their own purposes or benefit subject to an overall ceiling limit of Rs. 72,000 per annum in respect of any one director or a person who has a substantial interest in the company or a relative of the director or of such person [S. 40 (C)];
- (v) The following expenditure incurred by any assessee will not be allowed as a deduction in computing the taxable profits [S. 40A (5)];
 - (i) Salary paid to an employee to the extent it exceeds an amount calculated at the rate of Rs. 5,000 for each month or part thereof comprised in the period of his employment in India during the relevant previous year.
 - (ii) Salary paid to a former employee to the extent it exceeds Rs. 60,000 for the year.

- (iii) Expenditure incurred for providing any perquisite (*whether convertible into money or not*) to an employee to the extent the value of such perquisite exceeds 20% of the amount of his salary or which is in excess of an amount calculated at the rate of Rs. 1,000 for each month or part thereof comprised in the period of his employment in India during the relevant previous year, whichever is greater.
- (vi) Expenditure incurred by an assessee on payment of fees for services rendered by a person who, at any time during the twenty-four months immediately preceding the relevant previous year was his employee, will not be allowed as a deduction in computing the taxable profits of the assessee to the extent it exceeds Rs. 60,000 in a case where the assessee also incurs in relation to such person, any expenditure on payment of salary. The deduction in respect of the expenditure on payment of his fees and that on payment of salary will be limited to Rs. 60,000 in the aggregate [s. 40A (6)].
- (vii) With effect from the 1st day of April 1973, no deduction shall be allowed in respect of any reserve created, or provision made, by the assessee for the payment of gratuity to his employees on their retirement or on termination of the employment for any reason.

This restriction shall not apply in the following cases and to the following extent :

- (1) if the provision is made for the purpose of payment of a sum by way of any contribution towards an approved gratuity fund or for the purpose of payment of any gratuity, that has become payable during the previous year.
 - (2) if the provision is made by the assessee for the previous year relevant to any assessment year commencing on or after 1st April, 1973 but before 1st April 1976 to the extent it does not exceed an amount calculated @ 8.33 % of the salary (as defined in Rule 2 (h) of Part A of the Fourth Schedule) of each eligible employee for each year of his service provided—
 - (i) the provision is made in accordance with actuarial valuation, and
 - (ii) the tax payer sets up a gratuity fund and an application for the approval of the fund is made before 1st January, 1976 and transfers a sum of at least 50 % of the provision made in the previous year relevant to A. Y. 1973-74 to 1975-76 before 1st April, 1976 and the balance before 1st April, 1977.
- (viii) With effect from 1st day of April, 1976. where the assessee, being a company (*other than a banking company or a financial company*) incurs any expenditure by way of the interest in respect of any deposit received by it from the public, fifteen percent. of such expenditure shall not be allowed as deduction [s. 40A (8)]

Disallowance of expenditure incurred in business or profession in respect of which payment in a sum exceeding Rs. 2,500 is made otherwise than by a crossed cheque drawn on a bank or by a crossed bank draft [s. 40 (3)]

Sub-section (3) of section 40 A lays down that where the assessee incurs any expenditure in respect of which payment is made in a sum exceeding Rs. 2,500 otherwise than by a crossed cheque drawn on a bank or by a crossed bank draft such expenditure shall not be allowed as a deduction. This involves payments made after 31st March 1969.

Under the first proviso to section 40A (3), where any liability for any expenditure incurred is allowed as a deduction on accrued basis in the relevant assessment year and subsequently during any previous year, the assessee makes any payment in respect of such liability in a sum exceeding Rs. 2,500 otherwise than by a crossed cheque drawn on a bank or by a crossed bank draft, the deduction originally allowed will be deemed to have been wrongly allowed and will be withdrawn by rectifying that assessment under section 154 (7) within four years reckoned from the end of the assessment year next following the previous year in which the payment was so made.

However under the second proviso to section 40A (3) no disallowance is to be made under section 40A (3) in such cases under such circumstances as prescribed in Rule 6DD of the income-tax Rules, 1962.

Rules 6 DD has specified the following circumstances where no disallowance under sub-section (3) of section 40-A shall be made if the payment is made in a sum exceeding Rs. 2500/- otherwise than by a crossed cheque drawn on a bank or by a crossed bank draft.

(a) where the payment is made to—

- (i) the Reserve Bank of India or any banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 [10 of 1949];
 - (ii) the State Bank of India or any subsidiary bank as defined in section 2 of the State Bank of India (*Subsidiary Banks*) Act, 1959 [38 of 1959],
 - (iii) any co-operative bank or land mortgage bank;
 - (iv) any primary agricultural credit society as defined in clause (cii) of section 2 of the Reserve Bank of India Act, 1934 [2 of 1934], or any primary credit society as defined in clause (civ) of that section;
 - (v) the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956 [31 of 1956]
 - (vi) the Industrial Finance Corporation of India established under section 3 of the Industrial Finance Corporation Act, 1948 [15 of 1948];
 - (vii) the Industrial Credit and Investment Corporation of India Ltd;
 - (viii) the Industrial Development Bank of India established under section 3 of the Industrial Development Bank of India Act, 1964 [18 of 1964]
 - (ix) the Unit Trust of India established under section 3 of the Unit Trust of India Act, 1963 [52 of 1963];
 - (x) the Madras Industrial investment Corporation Ltd., Madras;
 - (xi) the Andhra Pradesh Industrial Development Corporation Hyderabad;
 - (xii) the Kerala State Industrial Development Corporation Ltd., Trivendrum;
 - (xiii) the State Industrial and Investment Corporation of Maharashtra Ltd., Bombay
 - (xiv) the Punjab State Industrial Development Corporation Ltd., Chandigarh;
 - (xv) the National industrial Development Corporation Ltd., New Delhi;
 - (xvi) the Mysore State Industrial Investment and Development Corporation Ltd., Bangalore;
 - (xvii) the Haryana State Industrial Development Corporation Ltd., Chandigarh;
 - (xviii) any State Financial Corporation established under section 3 of the State Financial Corporations Act, 1951 [63 of 1951];
- (b) where the payment is made to Government and, under the rules framed by it, such payment is required to be made in legal tender;
- (c) where under any contract entered into by the assessee before the 1st day of April 1969, the payment is required to be made in legal tender;
- (d) where the payment is made by—
- (i) any letter of credit arrangement through a bank;
 - (ii) a mail or telegraphic transfer through a bank;

- (iii) a book adjustment from any account in a bank to any other account in that or any other bank;
- (iv) a bill of exchange made payable only to a bank

*Explanation :—*For the purposes of this clause and clause (h), the term "bank", means any bank, banking company or society referred to in sub-clauses (i) to (iv) of clause (a) and includes any bank *[not being a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949)]*, whether incorporated or not, which is established outside India;

- (e) where the payment is made by way of adjustment against the amount of any liability incurred by the payee for any goods supplied or services rendered by the assessee to such payee;
- (f) where the payment is made for the purchase of—
 - (i) agricultural or forest produce; or
 - (ii) the produce of animal husbandry *(including hides and skins)* or dairy or poultry farming; or
 - (iii) fish or fish products; or
 - (iv) the products of horticulture or agriculture; to the cultivator grower or producer of such articles, produce or products;
- (g) where the payment is made for the purchase of the products manufactured or processed without the aid of power in a cottage industry, to the producer of such products;
- (h) where the payment is made in a village or town, which on the date of such payment is not served by any bank, to any person who ordinarily resides, or is carrying on any business, profession or vocation, in any such village or town;
- (i) where any payment by way of gratuity, retrenchment compensation or similar terminal benefit, is made to an employee of the assessee or the heirs of any such employee on or in connection with the retrenchment, resignation, discharge or death of such employee, if the income chargeable under the head "Salaries" of the employee in respect of the financial year in which such retirement, resignation, discharge or death took place or the immediately preceding financial year did not exceed Rs. 7,500;
- (j) in any other case, where the assessee satisfies the income-tax officer that the payment could not be made by a crossed cheque drawn on a bank or by a crossed bank draft—

- (1) due to exceptional or unavoidable circumstances; or
- (2) because payment in the manner aforesaid was not practicable, or would have caused genuine difficulty to the payee having regard to the nature of the transaction and the necessity for expeditious settlement thereof,

and also furnishes evidence to the satisfaction of the Income-tax Officer as to the genuineness of the payment and the identity of the payee.

The C.B.D.T. has laid down the following instances of circumstances vide their circular No. 206/17/76-I.T.A. II dated 31st May, 1977 which meet the requirements of Rule 6DD (j) of the I.T. Rules 1962—

- (i) the purchaser is new to the seller; or
- (ii) the transactions are made at a place where either the purchaser or the seller does not have a bank account; or
- (iii) the transactions and payments are made on a bank holiday; or

- (iv) the seller is refusing to accept the payment by way of crossed cheque/draft and the purchaser's business interest would suffer due to non-availability of goods otherwise than from this particular seller; or
- (v) the seller, acting as a commission agent, is required to pay cash in turn to persons from whom he has purchased the goods; or
- (iv) specific discount is given by the seller for payment to be made by way of cash.

It was further laid down in the abovesaid circular that it will be sufficient if a letter to the above effect is produced in respect of each transaction falling with-in the categories listed above, from the seller giving full particulars of his address, sales tax number/permanent account number, if any, for the purposes of proper identification to enable the Income-tax Officer to satisfy himself about the genuineness of the transaction. The Income-tax Officer, will however, record his satisfaction before allowing the benefit of rule 6DD (j).

It was further clarified that the above circumstances are not exhaustive but illustrative. There could be cases other than those falling with-in the above categories which would also meet the requirements of Rule 6DD (j)

Maintenance of accounts by certain persons carrying on profession or business [S. 44 AA].

- (1) Every person carrying on legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or any other profession as is notified by the Board in the Official Gazette shall keep and maintain such books of account and other documents as may enable the Income tax officer to compute his total income in accordance with the provisions of this Act.

The Central Board of Direct Taxes has notified the following professions in exercise of powers vested in him under section 44A (1) of the I.T. Act, 1961 vide notification No. S. O. 17 (E) dated 12th January, 1977.

- (i) the profession of authorised representative;

"authorised representative" means a person who represents any other person on payment of any fee or remuneration, before any tribunal or authority constituted or appointed by or under any law for the time being in force, but does not include an employee of the person so represented or a person carrying on legal profession or a person carrying on the profession of accountancy;

- (ii) the profession of film artist

"film artist" means any person engaged in his professional capacity in the production of a cinematograph film, whether produced by him or by any other person, as—

- (i) an actor;
- (ii) a cameraman;
- (iii) a director, including an assistant director;
- (iv) a music director, including an assistant music director;
- (v) an art director, including an assistant art director;
- (vi) a dance director, including an assistant dance director;
- (vii) an editor;
- (viii) a singer;
- (ix) a lyricist;
- (x) a story writer;

- (xi) a screenplay writer;
- (xii) a dialogue writer; and
- (xiii) a dress designer.

Rule 6F of Income Tax Rules 1962 has specified the following books of accounts and other documents which the above mentioned professional are required to keep and maintain—

- (i) a daily cash book;
 - (ii) a journal, if the accounts are maintained according to the mercantile system of accounting;
 - (iii) a ledger;
 - (iv) duplicate copies of machine-numbered bills and receipts issued by the person;
 - (v) original bills and receipts in respect of expenditure incurred by the person or, where such bills and receipts are not issued and the expenditure incurred does not exceed twenty-five rupees, payment vouchers prepared and signed by the person.
 - (vi) a daily case register in Form No. 3C (Applicable only in case of medical profession)
 - (vii) an inventory as on the first and last day of the previous year, of stock of drugs and medicines and other consumable accessories used for the purpose of his profession.
- (2) Every person carrying on business or profession [not being a profession referred to in sub-section (1)] shall.
- (i) if his income from business or profession exceeds twenty-five thousand rupees or his total sales, turnover or gross receipts, as the case may be, in business or profession exceed or exceeds two hundred and fifty thousand rupees in any one of the three years immediately preceding the previous year; or
 - (ii) where the business or profession is newly set up in any previous year, if his income from business or profession is likely to exceed twenty-five thousand rupees or his total sales, turnover or gross receipts, as case may be, in business or profession are or is likely to exceed two hundred and fifty thousand rupees, during such previous year.

keep and maintain such books of account and other documents as may enable the Income-tax Officer to compute his total income in accordance with the provisions of this Act.

- (3) The Board may, having regard to nature of the business or profession carried on by any class of person, prescribe, by rules the books of account and other documents (including inventories, wherever necessary) to be kept and maintained under sub-section (1) or sub-section (2), the particulars to be contained therein and the form and the manner in which and the place at which they shall be kept and maintained.
- (4) Without prejudice to the provisions of sub-section (3), the Board may prescribe, by rules, the period for which the books of account and other documents to be kept and maintained under sub-section (1) or sub-section (2) shall be retained.

The Central Board of Direct Taxes has notified vide Circular No. 205 (F No. 201/50/76-I.T. (A II) dated 27/7/76 that the provisions of this section shall come into force in respect of accounting years, commencing on or after 1st April, 1976.

DEPRECIATION

ASSETS ELIGIBLE FOR DEPRECIATION [s. 32 (1) and 32(1A)]

- (1) Under section 32 (1) of the income-tax Act, 1961, an allowance in respect of depreciation on buildings, machinery, plant or furniture is allowed as deduction in computing the profits and gains of the business or profession, provided the following conditions are fulfilled :—
 - (i) the assets are owned by the assessee;
 - (ii) the assets should be used for the purpose of business or profession during the year;
 - (iii) the prescribed particulars have been furnished in respect of such assets.
- (2) Under section 32 (1A) from assessment year 1971-72 and onward a depreciation in respect of capital expenditure on business premises held under lease is allowed in computing the profits and gains from business or profession, provided the following conditions are fulfilled :—
 - (i) it relates to a building in which a business or profession is carried on;
 - (ii) the assessee is not the owner of the building but he holds a lease or other right of occupancy therein;
 - (iii) the assessee incurs expenditure of a capital nature, for the purposes of business or profession, on the construction of any structure or the doing of any work in or in relation to the building by way of renovation or extension of or improvement to the building;
 - (iv) such expenditure must have been incurred after 31-3-1970;
 - (v) the assessee is entitled to depreciation on the written down value of the structure of work as may in any case or class be prescribed; and
 - (vi) the particulars prescribed under section 34 must be furnished by the assessee.

DEFINITION OF PLANT [section 43(3)]

Under section 43(3) of the income-tax Act, 1961 the plant includes ships, vehicles, books, scientific apparatus and surgical equipment used for the purpose of the business or profession.

DEPRECIATION ALLOWANCE—How to be calculated

Under Rule 5 of the income-tax Rules 1962, from the assessment year 1970-71 and onwards, the depreciation allowance is to be calculated at the specified rates given in part I of Appendix I to the income-tax Rules 1962, on all categories of depreciable assets which are in use in business or profession at any time during the previous year.

BASIS OF CALCULATION OF DEPRECIATION ALLOWANCE : The depreciation allowance is to be calculated as under :

- (i) in the case of ocean going ships on the actual cost of the ship or steamer;
- (ii) in the case of other vessels operating on inland waters, on the written down value;
- (iii) in the case of buildings, machinery, plant or furniture on the written down value.

WRITTEN DOWN VALUE [section 43(6)] : "Written down value" means

- (a) in the case of assets acquired in the previous year, the actual cost to the assessee;
- (b) in the case of assets acquired before the previous year the actual cost to the assessee less all depreciation actually allowed to him under the income-tax Act, 1961 or the income-tax Act, 1922.

ACTUAL COST [section 43 (1)]

Actual cost means the actual cost of the asset to the assessee reduced by that portion of the cost thereof, if any, as has been met directly or indirectly by any other person or authority.

DEEMED ACTUAL COST

- (1) Where an asset originally used for scientific research ceased to be so used and is used by the assessee for the purpose of his business or profession, its actual cost to the business shall be its actual cost as reduced by the allowance already allowed on the assets under section 35 (1) (iv) read with section 35(2) [Explanation, 1 & section 43 (1)].
 - (2) Where an asset is acquired by way of gift or inheritance, the actual cost to the assessee shall be the written down value as in the case of previous owner for the previous year in which the assets is so acquired or the market value thereof on the date of acquisition, whichever is less. [Explanation 2 of section 43 (1)].
 - (3) Where an asset was already in use in business in the hands of one person and its written down value has been ascertained by the income-tax Officer and that person transfers the assets to another person for a price exceeding its written down value with the main purpose of reduction of income-tax liability by claiming depreciation with reference to an enhanced cost. The actual cost to the assessee shall be such amount as the income tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, determine having regard to the circumstances of the case. [Explanation 3 of section 43 (1)].
 - (4) Where an asset which had once belonged to the assessee and had been used by him for the purpose of his business or profession and there after ceased to be his property by reason of transfer or otherwise, are reacquired by him at enhanced value. The intermediate transaction would be ignored and the actual cost to the assessee would be taken to be the written down value of the asset as on the date of his disposing of the asset to a third party, diminished by any loss to him on sale u/s 32 (1) (iii) or 32 (1-A) (ii) and increased by any statutory profit assessed on sale u/s 41 (2) or 41 (2-A) [Explanation 4 of sec. 43 (1)].
 - (5) Where a building previously the property of the assessee is brought into use for the purpose of the business or profession after 28-2-46, the actual cost to the assessee shall be the actual cost of the building to the assessee as reduced by an amount equal to the depreciation calculated at the rate in force on that date that would have been allowable had the building been used for the aforesaid purposes since the date of its acquisition by the assessee. [Explanation 5 of section 43 (1)].
 - (5) When any capital assets is transferred by a holding company to its subsidiary company, or by a subsidiary company to its holding company then, if it is found that the holding company holds all the shares of its subsidiary, the actual cost of the transferred asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business. [Explanation 6 of section 43 (1)].
 - (7) Where, in a scheme of amalgamation, any capital asset is transferred by the amalgamating company to the amalgamated company which is an Indian company, the actual cost of transferred capital asset to the amalgamated company shall be taken to be the same as it would have been if the amalgamating company had continued to hold the capital asset for the purposes of its own business [Explanation 7 of section 43 (1)].
- MOTOR CAR**
- (i) Under the first proviso to section 43 (1) of the Income-tax Act, 1961, where the actual cost of motor car which is acquired by the assessee after the 31st day of March 1967 but before the 1st day of March, 1975, and is used otherwise than in a business of running it on hire for tourists, exceeds Rs. 25000/- the excess of the actual cost over Rs. 25,000/- shall be ignored, and the actual cost thereof shall be taken to be Rs. 25,000/-.
- Where such motor car is subsequently sold, the profit or loss will be computed as under :—

$$\text{Profit/Loss} = \text{Adjusted sale Price} - \text{Written down value.}$$

$$\text{Adjusted Sale Price} = \frac{\text{Cost u/s 43 (1)} \times \text{Sale Price}}{\text{Actual cost}}$$

Example :—

Purchase Price of Motor car (purchased after 31.3.67)	Rs. 75,000
Actual cost u/s 43 (1) for the purpose of depreciation	Rs. 25,000
Motor car subsequently sold for	Rs. 63,000
Written down value	Rs. 16,000

Solution :—

$$\text{Profit} = \frac{\text{Cost u/s 43 (1)} \times \text{Sale Price}}{\text{Actual Purchase price of car}} - \text{Written down value.}$$

$$\text{Profit} = \text{Rs. } \frac{25,000 \times 63,000}{75,000} - \text{Rs. } 16,000$$

$$= \text{Rs. } 21,000 - 16,000$$

$$= \text{Rs. } 5,000/-$$

- (ii) (a) Under second proviso to section 32 (1) (ii) of income-tax Act 1961, no depreciation will be allowed in respect of any motor car manufactured outside India and acquired by the assessee after 28.2.75 if used otherwise than in a business of running it on hire for tourists.
- (b) Depreciation on full actual cost of indigeneous motor car will be allowed if acquired after 28th February, 1975.

DEPRECIATION OF FULL COST IN RESPECT OF MINOR ITEMS OF MACHINERY AND PLANT :

Under the first proviso to clause (ii) of sub section (1) of Section 32 from 1-4-1966 where the actual cost of any machinery and plant does not exceed Rs. 750/-, the amount of the actual cost is allowed straight way as a deduction in the previous year in which machinery or plant is first put to use by the assessee in his business or profession.

INITIAL DEPRECIATION

Initial Depreciation will be granted in the following cases:

On NEW ASSETS

(1) Building for welfare of low paid employees

Under section 32 (1) (iv) of income-tax Act, 1961, in case of building which has been newly erected after the 31st day of March 1961 and used solely for the purpose of residence of persons employed in business and the income of each such person chargeable under the head "Salary" does not exceed Rs. 10,000 [Rs. 7,500 prior to A. Y. 1977-78] or where the building is used solely or mainly for the welfare of such person as a hospital, creche, school, canteen, library, recreational centre, shelter, rest room or lunch room, a sum equal to twenty per cent [forty per cent with effect from A. Y. 1979-80] of the actual cost of such building will be allowed as initial depreciation in the year in which the erection of building is completed.

(2) Hotel Building

Under section 32(1)(v) of the Income-tax Act, 1961, in case of the new building the erection of which is completed after the 31st day of March, 1967 and the building is owned by an Indian Company and used by such Indian Company as a hotel for the time being approved in this behalf by the Central Government, a sum equal to twenty per cent of the actual cost of such building will be allowed as initial depreciation in the year in which the erection of building is completed or in the immediately succeeding previous year in which it is first brought into use as a hotel.

(3) Ships and Aircrafts:

Under section 32(1)(vi) of the Income-tax Act, 1961 in the case of new ships or aircrafts acquired by taxpayer after the 31st May 1974 but before 1st April 1976 engaged in the business of operation of ships or aircrafts, a sum equal to twenty per cent of the actual cost of such ships or aircraft will be allowed as initial depreciation in the year in which it is acquired or in the immediately succeeding previous year in which it is first put to use. The initial depreciation will be allowed only in the hands of taxpayer carrying on the business of operating ships or aircraft and will not be available in respect of ships or aircraft acquired by other tax payers.

(4) Plant and Machinery

Under section 32 (1) (vi) of the income-tax Act 1961, a sum equal to twenty per cent of the actual cost of plant and machinery will be allowed as initial depreciation in the year in which such plant and machinery is installed or in the immediately succeeding previous year in which it is first put to use where:—

- (i) the new machinery or plant (*other than office appliances or road transport vehicles*) is installed after 31st May, 1974, but before 1st April, 1976, for the purposes of business of generation or distribution of electricity or any other form of power.
- (ii) the new machinery or plant (*other than office appliances or road transport vehicles*) is installed after 31st May, 1974, but before 1st April 1976 for the purposes of business of construction, manufacture or production of any one or more of the articles or things specified in new Ninth Schedule to the Income-tax Act, namely:—

1. Iron and Steel (*Metal*)
2. Non-ferrous metals.
3. Ferro-alloys and special steels.
4. Steel castings and forgings and malleable iron and steel castings.
5. Thermal and hydro power generation equipment.
6. Transformers and switch gears.
7. Electric motors.
8. Industrial and agricultural machinery.
9. Earth moving machinery.
10. Machine tools.
11. Fertiliseres, namely, ammonium sulphate, ammonium sulphate nitrate (*double salt*) ammonium nitrate calcium, ammonium nitrate (*nitrolime stone*) amonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.
12. Soda ash.
13. Caustic soda.
14. Commercial vehicles.
15. Ships.
16. Aircraft.
17. Tyres and tubes.
18. Paper, pulp and newsprint.
19. Sugar.
20. Vegetable oils.
21. Textiles (*including those dyed printed or otherwise processed*) made wholly or mainly of cotton, including cotton yarn, hosiery and rope.
22. Textiles (*including those dyed, printed or otherwise processed*) made wholly or mainly of jute, including jute twine rope.
23. Cement and refractories.
24. Pesticides (*Applicable for assessment year 1976-77*)

- (iii) the new machinery or plant (other than office appliances road or transport vehicle) is installed after 31st May, 1974, but before 1st April, 1976, in a small scale industrial undertakings for the purposes of business of manufacture or production of any other articles or things. In other words, new machinery or plant installed in small scale industrial undertakings will qualify for initial depreciation allowance irrespective of whether or not the new machinery or plant is used for the manufacture or production of articles or things specified in the new Ninth Schedule. An industrial undertaking will be regarded as a small scale industrial undertaking, if the aggregate value of the machinery and plant installed therein as on the last day of the relevant previous year, does not exceed Rs. 7.5 lakhs. For this purpose, the value of machinery or plant owned by the taxpayer shall be the actual cost thereof to the taxpayer and the value of machinery and plant hired by the taxpayer shall be the actual cost to the owner thereof.

On SECOND HAND ASSETS

The initial depreciation allowance will also be allowed in respect of second hand ships or aircrafts or machinery or plant if the following conditions are fulfilled:—

- (1) the ship or aircraft is acquired after 31st May, 1974, but before 1st April, 1976 and such ships or aircrafts were not previously owned by any person resident in India.
- (2) In the case of plant and machinery (other than office appliances or road transport vehicles)
 - (a) such machinery or plant was not, at any time previous to the date of installation by the assessee, used in India.
 - (b) Such machinery and plant is imported in India from any country outside India; and
 - (c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or allowable under the provisions of Indian Income-tax Act, 1922 or this Act, in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by assessee.

The following points should be noted in the above connection:—

- (i) The initial depreciation allowance will not be deductible in computing the written down value of assets in the subsequent year.
- (ii) The initial depreciation allowance will be taken into account in the year in which the asset is sold or demolished or destroyed or in the year in which normal depreciation tends to exceed 80% of the cost.
- (3) The initial depreciation allowance will not be allowed on those assets on which the development rebate is allowable under section 33 of the Income tax Act 1961.
- (4) The initial depreciation allowance will not be allowed in cases where such assets is sold in the previous year in which it was acquired or installed or in the year in which it is first to use.
- (5) The taxpayer who is having large unabsorbed development rebate may not like to avail of initial depreciation allowance until such development rebate is set off against the profits for the assessment year 1975-76 or subsequent years. He may, at his option, declare and choose not to avail the proposed benefit of initial depreciation allowance. He may exercise his option before expiry of the time allowed under section 139(1) or section 139(2) (whether fixed originally or on extension) for furnishing the return of income for the assessment year in which he first becomes entitled to deduction in respect of initial depreciation allowance. Once he exercises this option, deduction in respect of initial depreciation allowance would be allowed for that assessment year.

and for every subsequent assessment year till he revokes the option exercised by him. He will be required to give the notice of revocation in writing to the Income-tax Officer before the expiry of the time allowed under section 139(1) or section 139(2) [whether fixed originally or on extension] for furnishing the return of income for the assessment year for which such revocation is to operate. After the revocation of the declaration, the provisions of section 32(1) (vi) will apply to the taxpayer in that assessment year in which it is revoked and for every subsequent assessment year.

Depreciation allowance not to exceed the actual cost /Section 34(2)(i)]

The aggregate of all depreciation allowances (including initial depreciation) granted to an assessee under this Act or any of its predecessors in respect of any assets shall not exceed the original cost of the assets to the assessee.

Terminal Depreciation :

Under section 32 (1) (iii) of the Income-tax Act, 1961 in the case of any building, machinery, plant or furniture owned by the assessee, is sold, discarded, demolished or destroyed in the previous year (other than the previous year in which it is first brought into use) the amount by which the moneys payable in respect of such asset together with the amount of any scrap value, if any, fall short of the written down value thereof, is allowed as terminal depreciation. The written down value for the purpose is calculated after taking into account the initial depreciation allowed in respect of such asset.

Under section 32 (1-A) (ii) of the Income-tax Act, 1961 in the case of any such structure or work which is sold or discarded, demolished, destroyed or surrendered as a result of the determination of the lease or other right of occupancy in respect of the building in the previous year (other than the previous year in which it is constructed or work done) the amount by which the moneys payable in respect of such structure or work together with the amount of scrap value, if any, falls short of the written down value thereof.

For the above purposes moneys payable include—

- (a) any insurance, salvage or compensation payable in respect of such assets or structure etc. and
- (b) sale price of such assets or structure etc.

Charging Charge :

- (1) Under section 41 (2) of the Income-tax Act, 1961, where any building, machine, plant or furniture which is owned by the assessee and which was or has been used for the purposes of business or profession is sold, discarded, demolished or destroyed and the moneys payable in respect of such asset together with the amount of scrap value, if any, exceeds the written down value, so much of the excess as is equal to the amount of depreciation allowed including initial depreciation, if any, will be deemed to be the profit of the year in which the moneys payable become due and shall be charged to income-tax as income of business or profession of the previous year.
- (2) Under section 41 (2-A) of the Income-tax Act, 1961, where any structure or work in connection with a building, being the structure or work as referred to in section 32(1-A) is sold, discarded, demolished destroyed or surrendered as a result of the determination of the lease or other right of occupancy in respect of the building and the moneys payable in respect of such structure or work together with the amount of scrap value, if any, exceeds the written down value, so much of the excess as does not exceed the difference between the actual cost of the structure or work and its written down value, shall be chargeable to income tax as income of the business or profession of the previous year in which the moneys payable for the structure or work become due,

If follows from the above that where the sale is for an amount over the cost price, the entire depreciation allowance till then granted should be taxed as revenue profit and the excess over the cost would become taxable under the head "Capital Gains".

UNABSORBED DEPRECIATION—Sub-section 2 of section 32 of the income-tax Act, enacts that where in case of assessee (*other than registered firm or unregistered firm treated as registered firm*) the full absorption of the depreciation allowance is impossible owing to there being no profits or gains chargeable for that previous year or owing to the profits and gains chargeable being less than allowance, the unabsorbed depreciation of that year shall be added to the depreciation of the following year and deemed to be part of that allowance or if there is no allowance for that year be deemed to be the depreciation allowance of that year and so on for the succeeding years.

As per judicial pronouncements the profits and gains means profits and gains under all heads of income. In view of this the unabsorbed depreciation allowance is to be set off as under :

- (i) If an assessee carries on more than one business or profession and he sustains a loss in one or more of them, he can deduct the depreciation allowance from out of the profits or gains occurring from any other business or profession carried on by him. [Section 70]
- (ii) If loss due to depreciation allowance cannot be completely wiped off by profits and gains from other business, the assessee is entitled to have the amount of such loss set off against his income of the year arising under any other head.
- (iii) If still there remains any unabsorbed depreciation after set off, the same shall be carried forward and added to the amount of depreciation allowance of the following year and deemed to be part of that allowance for that year and the aggregate depreciation will be deducted from the total income of that year and so on.

CARRY FORWARD OF DEPRECIATION LOSSES IN A FIRM : [Section 32(2)]

Where the assessee is an unregistered firm, the carry forward of depreciation losses shall have to be against the profits of the unregistered firm. If the assessee be a registered firm or an unregistered firm, treated as a registered firm, the carry forward depreciation loss shall have to be against the profits of individual partners.

DEDUCTION OF CARRIED FORWARD UNABSORBED DEPRECIATION IN CASE OF INSUFFICIENT PROFITS :—

Where the profits are insufficient to absorb (1) carried forward losses (2) current depreciation and (3) unabsorbed depreciation of earlier years, the same should be deducted in the following order :—

1. Current depreciation [32(1)]
2. Carried forward losses of earlier years [72(1)]
3. Unabsorbed depreciation of earlier years [32(2)]
4. Unabsorbed development rebate of earlier years [33 (2)(ii)]
5. Current development rebate [33 (2)(1)]
6. Unabsorbed development allowance of earlier year [33A (2) (ii)]
7. Current development allowance [33A (2) (i)]
8. Unabsorbed Investment allowance of earlier year
9. Current Investment allowance

RATES OF DEPRECIATION**APPENDIX I—PART I***Table of rates at which depreciation is admissible***Class of asset**Depreciation allowance
as percentage of—(i) actual cost in the case
of ocean-going ships ;(ii) written down value in
the case of any other
asset.**Buildings.**

- | | | | | |
|---|-----|-----|-----|------|
| 1. First Class substantial buildings of selected materials | ... | ... | ... | 2.5% |
| 2. Second class buildings of less substantial construction | ... | ... | ... | 5% |
| 3. Third class buildings of construction inferior to that second class buildings but not including purely temporary erections | ... | ... | ... | 7.5% |
| 4. Purely temporary erections such as wooden structures | ... | ... | ... | 100 |
| 5. From assesment year 1971-72 in respect of any structure or work in or in relation to a bulding referred to in sub-section (1A) of section 32,— | | | | |
| (a) where such structure is constructed or such work is done by way of renovation or improvement to any such building. | | | | |
| (b) where the structure is constructed the work is done by way of extension to any such building. | | | | |

The percentage specified against sub-item 1, 2, 3, or 4, as may be appropriate to the class of building in or in relation to which the renovation or improvement is effected; the percentage specified against sub-item 1, 2, 3, or 4, as would be appropriate if the structure or work constituted a separate building.

† Double these rates will be taken for factory buildings, excluding offices, godowns, officer's and employees' quarters.

II. Furniture and Fittings :

- | | | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. General rate | ... | ... | ... | ... | ... | ... | ... | ... | ... | 10 |
| 2. Rate for furniture and fittings used in hotels; restaurants and boarding houses; schools, colleges and other educational institutions; libraries; welfare centres; meeting halls; cinema houses, theatres and circuses; and for furniture and fittings let out on hire for use on the occasion of marriages and similar functions | ... | ... | ... | ... | ... | ... | ... | ... | ... | 15 |

III. Machinery and plant (not being a ship)

- | | | | | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| (i) General rate applicable to machinery and plant (not being a ship) for which no special rate has been prescribed under item (ii) hereinbelow | ... | ... | ... | ... | ... | ... | ... | ... | ... | 10 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|

(ii) Special rates :

- | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|----|
| A. (1) Hydraulic works, pipelines and sluices (N.E.S.A.) | | | | | | | | | | |
| (2) Overhead cables and wires (N.E.S.A.) | | | | | | | | | | |
| (3) Salt Works—Reservoirs, Condensers, Salt Pans, delivery channels and piers, if constructed of masonry, concrete, cement, asphalt or similar materials (N.E.S.A.) | | | | | | | | | | 5 |
| B. (1) Accounting machines (N.E.S.A.) | | | | | | | | | | |
| (2) Airconditioning Machinery including room air conditioners (N.E.S.A.) | | | | | | | | | | |
| (3) Artificial Silk Manufacturing Machinery and Plant except wooden parts | | | | | | | | | | |
| (4) Building Contractor's Machinery (N.E.S.A.) | | | | | | | | | | |
| (5) Brick and Tile Manufacture, wooden shelves and pallets | | | | | | | | | | |
| (6) Calculating machines (N.E.S.A.) | | | | | | | | | | |
| (7) Machinery and plant coming into contact with corrosive chemicals | | | | | | | | | | |
| (8) Machine Tools— | | | | | | | | | | 15 |
| (a) Automatic and semi-automatic; | | | | | | | | | | |
| (b) Precision machine tools, e.g. grinding machines | | | | | | | | | | |
| (9) Mineral oil concerns—field operations (Distribution)—Kerbside pumps including under-ground tanks and fittings (N.E.S.A.) | | | | | | | | | | |
| (10) Mines and Quarries Surface and underground machinery (other than electrical machinery, boilers and portable underground machinery),- head-gear, moving parts and rails (N.E.S.A.) | | | | | | | | | | |

- (11) Neo-post Franking Machines (N.E.S.A.)
- (12) Office Machinery (N.E.S.A.)
- (13) Refrigeration Plant Containers, etc. (other than racks), (N.E.S.A.)
- (14) Road making plant and machinery
- (15) Ropeway structures—Carriers
- (16) Rubber and Plastic goods factories—General machinery and plant
- (17) Salt works—Machinery, plant, locomotives, wagons and rolling stock
- (18) Sewing and knitting machines employed in the manufacture of Hosiery and woollen goods
- (19) Sewing and stitching machines for canvas or leather
- (20) Surgical instruments (N. E. S. A.)
- (21) Tea factories—General machinery and plant including rollers and driers
- (22) Tramway Electric and tramways run by internal combustion engines—Permanent way exceeding 1,25,000 car kilometre per kilometre of track per annum (N. E. S. A.)
- (23) Typewriters (N. E. S. A.)
- (24) Wireless apparatus and gear, wireless appliances and accessories (N.E.S.A.)

15

C. (1) Cinematograph films—Machinery used in the production and exhibition of cinematograph films (N. E. S. A.)

(a) Recording equipment, reproducing equipment, developing machines, printing machines, editing machines, synchronizers and studio-lights except bulbs

(b) Projecting equipment of film exhibiting concerns

20

- (2) Cycles (N. E. S. A.)
- (3) Dataprocessing machines including computers (N. E. S. A.)
- (4) Electrical machinery—Batteries; X-ray and Electro-therapeutic apparatus and accessories thereto (N.E.S.A.)
- (5) Glass manufacturing concerns except Direct Fire Glass Melting Furnaces—Recuperative and Regenerative Glass Melting Furnaces.
- (6) Juice boiling pans (Karhais) (N.E.S.A.)
- (7) Motor cars, motor cycles, scooters and other mopeds (N.E.S.A.)
- (8) Sugar Cane crushers (indigenous Kolhus and Belans) (N.E.S.A.)

D. (1) Aeroplanes—Aircraft, Aerial photographic apparatus (N.E.S.A.)

- (2) Concrete Pipes manufacture—Moulds (N.E.S.A.)
- (3) Drum Container manufacture—Dies (N.E.S.A.)
- (4) Earth moving machinery employed in heavy construction works, such as dams, tunnels, canals, etc. (N.E.S.A.)
- (5) Glass manufacturing concern except Direct Fire Glass Melting Furnaces—Moulds (N.E.S.A.)
- (6) Moulds in Iron Foundries (N.E.S.A.)
- (7) Mineral oil concerns—Filed operations (above ground)—Portable boilers, drilling tools, well-head tanks, rights, etc. (N.E.S.A.)
- (8) Mines and quarries—Portable underground machinery and earth moving machinery used in open cast mining (N.E.S.A.)
- (9) Motor buses, motor lorries, motor taxies motor tractors (N.E.S.A.)
- (10) Patterns, dies and templates (N.E.S.A.)
- (11) Ropeway structures—Ropeways ropes and trestle sheaves and connected parts (N.E.S.A.)
- (12) Shoe and other leather goods factories—Wooden lasts used in the manufacture of shoes.

30

- E. (1) Aeroplanes—Aero-engines (N.E.S.A.)
 (2) Rubber and plastic goods factories—Moulds (N.E.S.A.)

40

- F. (1) Artificial Silk Manufacturing Machinery—Wooden parts.
 (2) Cinematograph films—Bulbs of studio lights.
 (3) Flour mills—Rollers.
 (4) Gas cylinders including valves and regulators.
 (5) Glass manufacturing concerns—Direct Fire Glass Melting Furnaces.
 (6) Iron and steel industry—Rolling mill rolls.
 (7) Match factories—Wooden match frames.
 (8) Mineral oil concerns—
 (a) Plant used in field operations (above ground)—Distribution—Returnable packages.
 (b) Plant used in field operations (below ground) but not including assets covered by sub-item (ii) B (9) above.
 (9) Mines and quarries—
 (a) Tubs, winding ropes, haulage ropes and sand stowing pipes.
 (b) Safety lamps.
 (10) Salt works—Salt pans, reservoirs and condensers, etc., made of earthy, sandy or clayey material or any other similar material
 (11) Sugar works—rollers.

100

(iii) *Extra depreciation allowance for approved hotels :*

An extra allowance of depreciation of an amount equal to one-half of the normal allowance shall be allowed in the case of machinery and plant installed by an assessee, being an Indian company, in premises used by it as a hotel where such hotel is for the time being approved by the Central Government for the purposes of section 33 of the Act.

*Explanation :—*For the purposes of this sub-item and sub-item (iv), "normal allowance" means the amount of depreciation allowance [other than the extra depreciation allowance under this sub-item or the extra shift depreciation allowance under sub-item (iv)] which is allowable under rule 5.

(iv) *Extra shift depreciation allowance :*

An extra allowance upto a maximum of an amount equal to one-half of the normal allowance shall be allowed where a concern claims such allowance on account of double shift working and establishes that it has worked double shift. An extra allowance upto a maximum of an amount equal to the normal allowance instead of one-half of the normal allowance, shall be allowed where a concern claims such allowance on account of triple shift working and establishes that it has worked triple shift.

The calculations of the extra allowance for double shift working and for triple shift working shall be made separately in the proportion which the number of days for which the concern worked double shift or triple shift, as the case may be, bears to the normal number of working days during the previous year. For this purpose, the normal number of working days during the previous year shall be deemed to be—

(a) in the case of a seasonal factory or concern, the number of days on which the factory or concern actually worked during the previous year or 180 days, whichever is greater;

(b) in any other case, the number of days on which the factory or concern actually worked during the previous year or 240 days, whichever is greater.

Illustration

For example, where a non-seasonal concern worked 270 days during the previous year out of which it worked triple shift on 135 days and double shift on another 90 days, the extra depreciation allowance for triple shift working will be $135/270$, i.e., one-half of the normal allowance, and that for double shift working $90/270$, i.e., one-third, of one-half of the normal allowance.

The extra shift allowance shall not be allowed in respect of any item of machinery or plant which has been specifically excepted by inscription of the letters "N.E.S.A." (meaning "No Extra Shift Allowance") against it in sub-item (ii) above and also in respect of the following items of machinery and plant to which the general rate of depreciation of 10 per cent. applies :—

- (1) **Electrical Machinery**—Switchgear and instruments, transformers and other stationary plant and wiring and fittings of electric light and fan installations.
- (2) **Locomotives, Rolling stock, Tramways and Railways** used by concerns, excluding railway concerns.
- (3) **Mineral oil concerns—Refineries—**
 - (a) Boilers,
 - (b) Prime Movers,
 - (c) Process plant.
- (4) **Mineral oil concerns—Field operations—**
 - (a) Boilers,
 - (b) Prime Movers,
 - (c) Process plant,
 - (d) Storage tanks (above ground),
 - (e) Pipelines (above ground),
 - (f) Jetties and Dry docks.
- (5) **Mines and quarries—**
 - (a) Boilers and head-gears (excluding moving parts),
 - (b) Shafts and inclines,
 - (c) Tramways on the surface.
- (6) **Railway sidings.**
- (7) **Ropeway structures—**
 - (a) Trestle and Station steel work,
 - (b) Driving and tension gearing.
- (8) **Salt Works—**
 - (a) Barges and Floating Plant,
 - (b) Piers, quays and jetties,
 - (c) Pipelines for conveying brine if constructed of masonry, concrete, cement, asphalt or similar materials.
- (9) **Tramways Electric and tramways** run by internal combustion engines—
 - (a) Permanent way not exceeding 1,25,000 car kilometres per kilometre of track per annum,
 - (b) Cars—car trucks, car bodies, electrical equipment and motors,
 - (c) Tram cars including engines and gears,
- (10) **Weighing machines.**

IV Ships—

- (1) **Ocean going ships—**
 - (i) Fishing vessels with wooden hull 10% } to be calculated
 - (ii) other ships 5% } on the actual cost.
- (2) **Vessels ordinarily operating on inland waters—**
 - (i) *Speed boats 20
 - (ii) Other vessels 10

*"Speed boat" means a motor boat driven by a high speed internal combustion engine capable of propelling the boat at a speed exceeding 24 kilometers per hour in still water and so designed that when running at a speed it will plane, i.e., its bow will rise from the water.

DEVELOPMENT REBATE

DEVELOPMENT REBATE ON NEW ASSETS.

Sub-section 1 of section 33 grants development rebate, at varying rates in respect of ships, machinery and plant, provided—

- (a) the machinery or plant is not an office appliance or a road transport vehicle ;
[s. 33 (1)(a)]
- (b) it is not installed (after the 31st March, 1965) in any office premises or any residential accommodation, unless it be an approved hotel of an Indian Company
[s. 33 (6)]
- (c) the asset is new ; [s. 33 (1) (a)]
- (d) it is owned by the assessee ; [s. 33 (1) (a)]
- (e) it is used wholly for the purposes of the assessee's business ; [s. 33 (1) (a)]
- (f) the particulars prescribed for the purpose of depreciation allowance have been furnished [s. 34 (1)] ;
- (g) an amount equal to 75% of development rebate to be actually allowed should be debited to profit and loss account and credited to development rebate reserve account. The said condition does not apply to an electricity company being a licensee within the meaning of Electricity (supply) Act, 1948. In case of ships acquired after 28th February 1966, the said percentage of 75% has been reduced to 50%.
- (h) the reserve so created, should not be utilised for a period of eight years next following the year for distribution by way of dividends or profits or for remittance outside India as profits or for the creation of any asset outside India, or for any other purpose which is not a purpose of the business of the undertaking.
- (i) the ship, machinery or plant should not be sold or otherwise transferred for eight years from the end of the year of acquisition or installation, except to the Government, a local authority, a statutory corporation, or a Government company or in connection with amalgamation or succession covered by sub-ss. (3) and (4) of section 33.

DEVELOPMENT REBATE ON SECOND HAND ASSETS :

Section 33 (1A) grants development rebate on second hand assets if the following conditions in addition to the above conditions as applicable in case of new assets are fulfilled :—

(1) In the case of any ship :

- (a) The ship is acquired after the 31st day of March, 1964 ;
- (b) Such ship was previous to the date of such acquisition, not owned at any time by any person resident in India ;
- (c) Such ship is wholly used for the purposes of the business carried on by the assessee; and
- (d) Such other conditions as may be prescribed.

(2) In the case of plant & machinery (other than office appliances or road transport vehicles) ;

- (a) Such machinery or plant was not used in India at any time previous to the date of such installation by the assessee ;
- (b) It is imported in India by the assessee from any country outside India ;
- (c) No deduction on account of depreciation or development rebate in respect of such machinery or plant has been allowed or is allowable under the provisions of the Income-tax Act, 1922 or this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee.
- (d) Such machinery or plant is wholly used for the purposes of the business carried on by the assessee; and
- (e) Such other conditions as may be prescribed.

Companies succeeding firms [Section 33 (4)] :

Where a firm is succeeded to by a company in the business carried on by it as a result of which the firm sells or otherwise transfers to the company any ship, machinery or plant within a period of eight years, the development rebate already allowed on such assets will not be withdrawn and unabsorbed development rebate, if any, will be allowed as deduction in the assessment of succeeding company provided the following conditions are satisfied :—

- (i) that all the property of the firm relating to the business immediately before the succession becomes the property of the company ;
- (ii) that all the liabilities of the firm relating to the business immediately before the succession become the liabilities of the company ;
- (iii) that all the share-holders of the company were partners of the firm immediately before the succession.
- (iv) that the succeeding company fulfills the conditions as mentioned in section 34(3) in respect of the reserve created by the firm and in respect of period within which such assets shall not be sold or otherwise transferred.

Amalgamation of companies [Section 33 (3)]

Where in a scheme of amalgamation, the amalgamating company sells or otherwise transfers to the amalgamated company any ship, machinery or plant within a period of eight years, the development rebate actually allowed on such assets will not be withdrawn and unabsorbed development rebate, if any, will be allowed as deduction in the assessments of amalgamated company provided the following conditions are satisfied :—

- (1) that the amalgamation of the companies is, within the meaning of section 2 (1-A) of the Income-tax Act, 1961;
- (2) that the amalgamated company fulfills the conditions as mentioned in section 34(3) in respect of the reserve created by the amalgamating company and in respect of period within which such assets shall not be sold or otherwise transferred.

Year of allowance and carry forward [section 33(2)] :

Development rebate is allowed as a deduction in the year in which the ship is acquired or machinery or plant is installed, provided the asset is used for the purposes of business in the year of acquisition or installation. But if the asset is first put to use in the immediately succeeding year, the rebate would be allowed in such succeeding year.

Where the total income of an assessee before deduction of development rebate is nil or less than the full amount of the development rebate admissible for that assessment year, the development rebate shall be allowed only of such amount as is sufficient to reduce the said total income to nil. The unabsorbed amount of development rebate shall be carried forward and deducted from total income of the following assessment year, if any. The unabsorbed development rebate can be carried forward upto eight assessment years succeeding the year of installation or purchase of machinery or ship as the case may be.

Withdrawal of development rebate [Section 155 (5)] :

The development rebate originally allowed would be deemed to have been wrongly allowed and would be withdrawn by rectifying the assessment under section 155 of the Income-tax Act, 1961, if—

- (i) such assets is sold or otherwise transferred within eight years from the end of the previous year in which it was acquired or installed to any person except to the Government, a local authority or a Government company or a corporation established under a Central, State or Provincial Act; or where the transfer of such assets is made in connection with the amalgamation or succession as referred to in section 33 (3) (4) of the Act.
- (ii) the development rebate is utilised by the assessee, at any time within eight years from the end of the previous year of installation or acquisition of such assets, as the case may be, for the purpose of distribution by way of dividends or for remittance outside India as profits or for the creation of any asset outside India; or for any other purpose which is not a purpose of the business of the undertaking.

DATE OF DISCONTINUANCE OF DEVELOPMENT REBATE :

The Central Govt. has directed through notification No. SO 2167 dt. 28-5-71 that the deduction in respect of development rebate u/s 33 shall not be allowed in respect of ship acquired or machinery or plant installed after the 31st day of May, 1974.

But the Central Government has provided by Finance Act, 1974 that the provisions of the above paragraph (*i.e.*, Notification No. So. 2167 dt. 28-5-71) shall not apply in the following cases and deduction of development rebate u/s 33 will be admissible :—

- (i) If the assessee had, before the 1st December, 1973, entered into a contract for purchase of ship from the builder or owner thereof and acquires the ship before 1st June, 1975 ;
- (ii) If the assessee had, before the 1st December, 1973, either purchased the machinery or plant or had entered into a contract for purchase of such machinery or plant from the manufacturer or owner thereof or dealer their in or had taken effective step for manufacture such machinery or plant in an industrial undertaking owned by him and installs the same before 1st June, 1975 ;
- (iii) If the assessee purchases coal-fired boilers or machinery or plant for converting oil fired boilers into coal fired boilers and installs the same before 1st June, 1977.
- (iv) If the assessee purchases coal-fired furnaces, kilns, ovens and the like and machinery or plant for converting such oil fired equipment into coal-fired equipment and installs the same before 1st June, 1977.

RATES OF DEVELOPMENT REBATE

[Section 33]

(To be calculated on the actual cost of the asset)

(1) In respect of new assets as referred to in section 33 (1) :

(A) New Ships :

(i) Acquired upto 31-12-1957	...	...	25%
(ii) Acquired after 31-12-1957	...	...	40%

(B) New Machinery or Plant :

(a) General Rates :

(i) Installed upto 31-3-1961	...	...	25%
(ii) Installed during 1-4-1961 to 31-3-1970	...	...	20%
(iii) Installed after 31-3-1970	...	...	15%

(b) Special Rates :

(i) Mining :

Installed during 1-4-1963 to 31-3-1970	...	...	35%
Installed after 31-3-1970	...	...	25%

(ii) Priority industries mentioned in the Fifth Schedule :

Installed during 1-4-1965 to 31-3-1970	...	...	35%
Installed after 31-3-1970	...	...	25%

(iii) Approved hotels run by Indian companies :

Installed during 1-4-1967 to 31-3-1970	...	...	35%
Installed after 31-3-1970	...	...	25%

(iv) Scientific Research related to the assessee's business :

Installed during 1-4-1967 to 31-3-1970	...	...	35%
Installed after 31-3-1970.	...	...	25%

(2) In respect of old assets as referred to in section 33 (1-A) :

(A) Old Ship :

(i) Where the ship is acquired by the assessee at any time before the expiry of seven years from the date it was built.	...	...	30%
(ii) in any other case	...	...	20%

(B) Old Plant & Machinery Installed After 31-3-1964 :

(i) where it is installed before 1-4-1966 for the purposes of business of mining coal	...	...	20%
(ii) in any other case	...	...	10%

THE FIFTH SCHEDULE

LIST OF SPECIFIED INDUSTRIES

*[Entitled to higher rate of development rebate]**[See section 33 (1)(b) (B) (i)]*

List of articles and things

- (1) Iron and steel (*metal*), ferro-alloys and special steels.
- (2) Aluminium, copper, lead and zinc (*metals*).
- (3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.
- (4) Industrial machinery specified under the heading "8. Industrial machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (*Development and Regulation*) Act, 1951.
- (5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.
- (6) Flame and drip proof motors.
- (7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.
- (8) Machine tools and precision tools (*including their attachments and accessories, cutting tools and small tools*), dies and jigs.
- (9) Tractors, earth-moving machinery and agricultural implements.
- (10) Motor trucks and buses.
- (11) Steel castings and forgings and malleable iron and steel castings.
- (12) Cement and refractories.
- (13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (*double salt*), ammonium nitrate, calcium ammonium nitrate (*nitro-lime stone*), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.
- (14) Soda ash.
- (15) Pesticides.
- (16) Paper and pulp including newsprint.
- (17) Electronic equipment, namely, radar equipment computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensers, coils, magnetic materials and micro-wave components.
- (18) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.
- (19) Ships.
- (20) Automobile ancillaries.
- (21) Seamless tubes.
- (22) Gears.
- (23) Ball, roller and tapered bearings.
- (24) Component parts of the articles mentioned in item Nos. (4), (5), (7), and (9) that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and in complete finished form and ready for fitment.
- (25) Cotton seed oil.
- (26) Tea.
- (27) Printing machinery.
- (28) Processed seeds.
- (29) Processed concentrates for cattle and poultry feed.
- (30) Processed (*including frozen*) fish and fish products.
- (31) Vegetable oils and oil-cakes, manufactured by the solvent-extraction process from seeds other than cotton seed.
- (32) Textiles (*including those dyed, printed or otherwise processed*) made wholly or mainly of cotton, including cotton yarn, hosiery and rope.
- (33) Textiles (*including those dyed, printed or otherwise processed*) made wholly or mainly of jute, including jute twine and jute rope.

Investment allowance on new assets

Sub-section 1 of section 32A grants investment allowance @ 25% of the actual cost (including all incidental expenses incurred in acquiring the assets) of the ships, air crafts, machinery or plant, provided;

- (1) it is owned by the assessee and is wholly used for the purpose of the business of the undertaking carried on by him [s. 32A (1)].
- 2 (a) it is a new ship or new aircraft acquired after 31st day of March, 1976 by an assessee engaged in the business of operation of ships or aircraft [sec. 32A (2) (a)].
- (b) the machinery or plant is installed after the 31st March, 1976,
 - (i) for the purposes of business of generation or distribution of electricity or any other form of power; or
 - (ii) for the purposes of business of construction, manufacture or production of any one or more of the articles or things specified in the list in the Ninth Schedule;

With effect from assessment year 1978-79 the said clause is being changed. Under the amended provision investment allowance will be granted in respect of machinery or plant installed for the purposes of business of construction, manufacture or production of any article or thing not being an article or thing specified in the list in the Eleventh Schedule of the Income-Tax Act, 1961.

- (iii) in a small scale industrial undertaking for the purposes of business of manufacture or production of any articles or things whether or not it manufactures or produces articles or things specified in the Ninth Schedule

An industrial undertaking would be deemed to be a small scale industrial undertaking if the aggregate value of the machinery or plant installed does not exceed Rs. 10,00,000. Plant and machinery does not include tools, jigs, dies and moulds. The value of the machinery owned by the assessee will be the actual cost thereof to the assessee and where the machinery is hired by the assessee, the actual cost thereof, as in the case of the owner of such machinery for the purpose of computing the value of machinery.

After 30th June 1977 the investment allowance will be granted to all small scale industries and other industries not being mentioned in Eleventh Schedule of the Act,

Under sub-section (8A) of section 32 A the Central Government is empowered to omit by the notification in the official gazette any article or thing specified in the list in the Eleventh Schedule.

- (3) An amount equal to seventy-five per cent of the investment allowance to be actually allowed should be debited to the Profit and Loss Account and credited to Investment Allowance Reserve Account. The said condition in case of ship or aircraft is fifty per cent [S. 32A (4) (ii)].
- (4) the reserve so credited should be utilised within a period of ten years from the end of the previous year in which the ship or aircraft was acquired or the machinery or plant was installed, to acquire a new ship or new aircraft or new machinery or new plant for the purpose of the business of the undertaking [S. 32A (4) (ii) (a)];

- (5) the investment allowance reserve should not be utilised for the purposes of distribution by way of dividends or profits or for remittance outside India as profits or for the creation of any assets outside India until the acquisition of a new ship or a new aircraft or a new machinery or plant as aforesaid, for the purposes of business of the undertaking [s. 324 (4) (ii) (b)].
- (6) the particulars prescribed for the purposes of investment allowance have been furnished [s. 32A (4) (i)];
- (7) the asset should not be sold or otherwise transferred for eight years from the end of the year of acquisition or installation, except to the Government, a local authority, statutory corporation or Government company or in connection with amalgamation or succession [s. 32A (5) & 32A (6)];

Note:—The deduction in respect of investment allowance shall not be denied in respect of machinery or plant installed and used mainly for the purposes of business of construction, manufacture or production of any article or thing merely on the ground that such machinery or plant is used in part for the purpose of business of construction, manufacture or production of an article or thing specified in the list in the Eleventh Schedule [section 32A (2A)].

However, the investment allowance would not be available in respect of the following assets :—

- (1) if the machinery or plant is installed in an office premises or any residential accommodation including any accommodation in the nature of a guest house.
- (2) if the machinery or plant is an office appliance or road transport vehicle.
- (3) if it is a ship or machinery or plant in respect of which the deduction by way of development rebate is allowable under section 33, and
- (4) if it is a machinery or plant, the whole of the actual cost of which is allowed as a deduction (*whether by way of depreciation or otherwise*) in computing the income chargeable under the head 'Profits and gains of business or profession' of any one previous year [32A (1)];
- (5) if the machinery or plant relates to the industrial units mentioned in the Eleventh Schedule.

Higher Investment allowance

Sub-section (2B) of section 32-A grants investment allowance at a higher rate of 35% in respect of machinery or plant installed after the 30th day of June, 1977, but before the 1st day of April, 1982, for the manufacture or production of any article or thing, which is manufactured or produced by using any technology or other know how developed in, or which is invented in, a laboratory owned or financed by the Government, or laboratory owned by a public sector company or a university or by an institution recognised in this behalf by the prescribed authority, provided it satisfies further the following conditions :—

- (i) the right to use such technology (*including any process*) or other know-how or to manufacture or produce such article or thing has been acquired from the owner of such laboratory or any person deriving title from such owner;
- (ii) The assessee furnishes, along with his return of income for the assessment year for which the deduction is claimed, a certificate from the prescribed authority to the effect that such article or thing is manufactured or produced by using such technology (*including any process*) or other know-how developed in such laboratory or is an article or thing invented in such laboratory; and
- (iii) the machinery or plant is not used for the purpose of business of manufacture or production of any article or thing specified in the list in the Eleventh Schedule.

Investment Allowance on second hand assets [Explanation (1) to s. 32A (2)].

Section 32A grants investment allowance on second hand assets if the following conditions, in addition to the above conditions as applicable in case of new assets, are fulfilled :

- (i) In the case of any ship or aircraft—
 - (a) the ship or aircraft is acquired after 31st March, 1976;
 - (b) such ship or aircraft was, previous to the date of such acquisition, not owned at any time by any person resident in India.
- (ii) In the case of plant & machinery (other than office appliances or road transport vehicles)—
 - (a) such machinery or plant was not, at any time previous to the date of such installation by the assessee, used in India;
 - (b) such machinery or plant is imported into India from any country outside India; and
 - (c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of the Indian Income-tax Act, 1922 or this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee.

INVESTMENT ALLOWANCE ON AMALGAMATION OF COMPANY [s. 32A(6)]

Where, in a scheme of amalgamation, the amalgamating company sells or otherwise transfers to the amalgamated company any ship, aircraft, machinery or plant in respect of which investment allowance has been allowed to the amalgamating company under sub-section (1) of section 32 A,

- (a) the amalgamated company shall continue to fulfil the conditions mentioned in sub-section (4) of section 32A in respect of the reserve created by the amalgamating company and in respect of the period within which such ship, aircraft, machinery or plant shall not be sold or otherwise transferred and in default of any of these conditions, the provisions of sub-section (4A) of section 155, shall apply to the amalgamated company as they would have applied to the amalgamating company had it committed the default; and
- (b) the balance of investment allowance, if any, still outstanding to the amalgamating company in respect of such ship, aircraft, machinery or plant, shall be allowed to the amalgamated company in accordance with the provision of sub-section (3) . so, however, that the total period for which the balance of investment allowance shall be carried forward in the assessments of the amalgamating company and the amalgamated company shall not exceed the period of eight years specified in sub-section (3) of section 32A and the amalgamated company shall be treated as the assessee in respect of such ship, aircraft, machinery or plant for the purposes of this section.

COMPANY SUCCEEDING FIRMS [s. 32A(7)]

Where a firm is succeeded to by a company in the business carried on by it as a result of which the firm sells or otherwise transfers to the company any ship, aircraft, machinery or plant, the provisions of clauses (a) and (b) of sub-section (6) of section 32A shall, so far as may be, apply to the firm and the company. The provisions of this sub-section shall apply only where—

- (i) all the property of the firm relating to the business immediately before the succession become the property of the company;
- (ii) all the liabilities of the firm relating to the business immediately before the succession become the liabilities of the company; and
- (iii) all the share-holders of the company were the partners of the firm immediately before the succession.

YEAR OF ALLOWANCE AND CARRIED FORWARD

The investment allowance is allowed as deduction in the year in which the ship or aircraft was acquired or machinery or plant was installed. If the ship, aircraft, machinery or plant is first put to use in the immediately succeeding previous year then, in respect of that previous year, where the total income of an assessee before deduction of investment allowance is not less than the full amount of investment allowance admissible for that year, the same will be allowed as under:—

- (1) sum to be allowed by way of investment allowance for that assessment year shall be only such amount as is sufficient to reduce the said total income to nil; and
- (2) the amount of the investment allowance, to the extent to which it has not been allowed as aforesaid, shall be carried forward to the following assessment year, and the invest-

ment allowance to be allowed for the following assessment year shall be such amount as is sufficient to reduce the total income of the assessee assessable for that assessment year, to *nil*, and the balance of the investment allowance, if any, still outstanding shall be carried forward to the following assessment year and so on, so, however, that no portion of the investment allowance shall be carried forward for more than eight assessment years immediately succeeding the assessment year relevant to the previous year in which the ship or aircraft was acquired or the machinery or plant was installed or, as the case may be, the immediately succeeding previous year.

OPPORTUNITY TO CREATE RESERVE [Explanation to s. 32A(4)]

The deduction shall be allowed only if an amount equal to 75% of the investment allowance to be actually allowed is debited to the Profit & Loss Account of the previous year in respect of which the deduction is to be allowed and credited to Investment Allowance Reserve Account. Where the amount debited to profit & loss account and credited to the investment allowance reserve account is not less than the amount required to be so credited on the basis of amount of deduction in respect of investment allowance claimed in the return made by the assessee u/s 139, but a higher deduction in respect of investment allowance is admissible on the basis of total income as proposed to be computed by the Income-tax Officer u/s 143, the Income-tax Officer shall, by notice in writing in this behalf, allow the assessee an opportunity to credit within the time specified in the notice or within such further time as the I. T. O. may allow a further amount to the investment allowance reserve account out of the profits and gains of the previous year in which such notice is served on the assessee or in the immediately preceding previous year. If the accounts for that year have not been made up and, if the assessee credits any further amount to such account within the time aforesaid, the amount so credited shall be deemed to have been credited to the investment allowance reserve account of the previous year in which the deduction is admissible and such amount shall not be taken into account in determining the adequacy of the reserve required to be created by the assessee in respect of previous year in which such further credit is made:

Provided that such opportunity shall not be allowed by the Income-tax Officer in a case where the difference in the total income as proposed to be computed by him and the total income returned by the assessee arises out of the application of the proviso to sub-section 1 of section 145 or sub-section 2 of section 145 or the omission by the assessee to disclose his income fully and truly.

WITHDRAWAL OF INVESTMENT ALLOWANCE : [s. 32A(5)]

The investment allowance originally allowed would be deemed to have been wrongly allowed and shall be withdrawn by rectifying the assessment order u/s 155(4A) of the Income-tax Act, 1961 :

- (1) If such asset is sold or otherwise transferred by the assessee within eight years from the end of the previous year in which it was acquired or installed to any person except to the Government, a local authority, a corporation established by the Central, State or Provincial Act or a Government company as defined under section 617 of the Companies Act, 1956;

However, if the sale or transfer of the ship, aircraft, machinery or plant is made in connection with the amalgamation or succession referred to in sub-section 6 or sub-section 7 of section 32 A, the investment allowance will not be withdrawn; or

- (2) If, at any time before the expiry of ten years, from the end of the previous year in which the asset was acquired or installed, the assessee does not utilise the amount credited to the reserve account for the purpose of acquiring a new asset for the purposes of business of the undertaking; or
- (3) If, at any time before the expiry of ten years, the assessee utilises the amount credited to the reserve account for the distribution by way of dividend or profits for remittance outside India as profits or for the creation of any asset outside India or for any other purpose which is not the purpose of the business of the undertaking.

DATE OF DISCONTINUANCE OF INVESTMENT ALLOWANCE [s. 32A(8)]

The Central Government, if it considers necessary, may, by notification in the Official Gazette, direct that the deduction allowable under this section shall not be allowed in respect of any ship or aircraft acquired or any machinery or plant installed after such date, not being earlier than three years from the date of such notification, as may be specified therein

THE NINTH SCHEDULE
LIST OF SPECIFIED INDUSTRIES
 [Entitled to Investment Allowance]
 (See section 32(1)(vi) & 80M(1)(a)(i)]
List of articles and things

1. Iron and Steel (*Metal*)
2. Non-ferrous metals.
3. Ferro-alloys and special steels.
4. Steel castings and forgings and alloy, malleable and S. G. iron castings.
5. Thermal and hydro power generation equipment.
6. Transformers and switch gears.
7. Electric motors.
7. Industrial and agricultural machinery.
9. Earth moving machinery.
10. Machine tools.
11. Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (*double salt*), ammonium nitrate calcium, ammonium nitrate (*nitrolime stone*), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.
12. Soda ash.
13. Caustic soda.
14. Commercial vehicles.
15. Ships.
16. Aircraft.
17. Tyres and tubes.
18. Paper, pulp and newsprint.
19. Sugar.
20. Vegetable oils.
21. Textiles (*including those dyed, printed or otherwise processed*) made wholly or mainly of cotton, including cotton yarn, hosiery and rope.
22. Textiles (*including those dyed, printed or otherwise processed*) made wholly or mainly of jute, including jute twine, and jute rope.
23. Cement and refractories.
24. Pesticides (*Applicable with effect from assessment year 1976-77*)
25. Carbon and graphite products.
26. Inorganic heavy chemicals (other than soda ash and caustic soda) mentioned in items 12 & 13 respectively.
27. Organic heavy chemicals.
28. Synthetic rubber and rubber chemicals (including carbon black).
29. Industrial explosive.
30. Basic drugs
31. Industrial sewing machines.
32. Finished leather and leather goods (including footwear made wholly or mainly of leather).

CAPITAL GAINS

Capital Gains (Section 45)

Any profits or gains arising from the transfer of a capital asset effected in the previous year shall, save as otherwise provided in sections 53, 54, 54-B, 54-D, chargeable to income-tax under the head "Capital gains", and shall be deemed to be the income of the previous year in which the transfer took place.

Capital Gains [Section 2 (14)]

The "Capital asset" means property of any kind held by an assessee, whether or not connected with his business or profession, but does not include—

- (i) any stock-in-trade, consumable stores or raw materials held for the purposes of his business or profession ;
- (ii) personal effects, that is to say, movable property (including wearing apparel and furniture, but excluding jewellery) held for personal use by the assessee or any member of his family dependant on him.

Explanation : For the purposes of this sub-clause, "jewellery" includes —

- (a) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel ;
- (b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel ;
- (iii) agricultural land in India not being land situate—
 - (a) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal-corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the first day of the previous year ; or
 - (b) in any area within such distance, not being more than eight kilometers, from the local limits of any municipality or cantonment board referred to in item (a) as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette ;
- (iv) 6.5% Gold Bonds, 1977 or 7% Gold Bonds, 1980 or National Defence Gold Bonds, 1980, issued by the Central Government.

Transfer [Section 2 (47)]

"Transfer", in relation to capital asset, includes the sale, exchange or relinquishment of the asset or the extinguishment of any rights therein or the compulsory acquisition thereof under any law.

Transfers excluded from the ambit of capital gains tax (Sections 46 & 47)

- (i) any distribution of assets by a company to its share-holders on its liquidation. In this case no liability to capital gains tax arises on the company, but the recipient shall be charged to capital gains tax [Sec. 46] ;
- (ii) any distribution of capital assets on the total or partial partition of a Hindu undivided family Sec. 47 (i) ;
- (iii) any distribution of capital assets on the dissolution of a firm, body of individuals or other association of persons Sec. 47 (ii) ;
- (iv) any transfer of a capital asset under a gift or will or an irrevocable trust Sec. 47 (iii) ;

- (v) any transfer of a capital asset by a company to its subsidiary company, if—
 - (a) the parent company or its nominees hold the whole of the share capital of the subsidiary company, *and*
 - (b) the subsidiary company is an Indian company [Sec. (iv)] ;
- (vi) any transfer of a capital asset by a subsidiary company to the holding company, if—
 - (a) the whole of the share capital of the subsidiary company is held by the holding company, *and*
 - (b) the holding company is an Indian company [Sec. 47 (v)] ;
- (vii) any transfer, in a scheme of amalgamation, of a capital asset by the amalgamating company to the amalgamated company if the amalgamated company is an Indian company [Sec. 47 (vi)] ;
- (viii) any transfer by a shareholder, in a scheme of amalgamation, of a capital asset being a share or shares held by him in the amalgamating company, if—
 - (a) the transfer is made in consideration of the allotment to him of any share or shares in the amalgamated company, *and*
 - (b) the amalgamated company is an Indian company [Sec. 47 (vii)] ;
- (ix) any transfer of agricultural land in India effected before the 1st day of March, 1970, [Sec. 47 (viii)] ;

TYPES OF CAPITAL GAINS

Short-term capital gains [Section 2 (42A)]

It means the capital gains arising from the transfer of capital asset which is held by an assessee for not more than thirty six months (sixty months relevant to the assessment years 1974-75 to 1977-78) immediately preceding the date of its transfer.

Long-term capital gains :

It means the capital gains arising from the transfer of a capital asset which is held by an assessee for more than thirty six months (sixty months relevant to the assessment years 1974-75 to 1977-78) immediately preceding the date of its transfer.

EXEMPTIONS FROM CAPITAL GAINS CHARGE :

Capital gains on sale of building or lands appurtenant thereto (Section 53)

Where a capital gain arises from the transfer of one or more capital assets, being buildings or lands appurtenant thereto, such gain shall be exempted from tax, notwithstanding anything contained in sec. 45, if all the following conditions are satisfied,—

- (i) the income of the transferred property before the date of the transfer was chargeable under the head "Income from house property";
- (ii) the full aggregate value of the consideration for which the transfer is made, does not exceed Rs. 25,000 ; *and*
- (iii) the aggregate of the fair market value of all capital assets, being buildings or lands appurtenant thereto the income of which is chargeable under the head "Income from house property" owned by the assessee immediately before the transfer, does not exceed Rs. 50,000.

Example : Mr. X owns three houses, which are valued at Rs. 42,000. He had purchased this property for Rs. 15,000 in 1965. He sold one house the income of which was chargeable under the head "Income from house property", for Rs. 14,000 bringing long-term capital gains of Rs. 9,000.

Solution : In this case no amount of capital gain will be included in the gross total income since it satisfies the conditions as laid down in section 53 of the Income-tax Act, viz.,

- (1) the income of the transferred property before the date of the transfer was chargeable under the head "Income from house property" ;

(2) the full aggregate value of the consideration for which the transfer is made, does not exceed Rs. 25,000. In this case the full aggregate value of the consideration is Rs. 14,000 only ; and

(3) the aggregate of the fair market value of all capital assets (*before transfer*) being buildings or lands appurtenant thereto does not exceed Rs. 50,000. In this case the aggregate of fair market value of all capital assets is Rs. 42,000 only.

Profit on sale of property used for residence (Section 54)

Where a capital gain arises from the transfer of a capital asset to which the provisions of sec. 53 are not applicable, being buildings or lands appurtenant thereto the income of which is chargeable under the head "Income from house property", which in the two years immediately preceding the date on which transfer took place, was being used by the assessee or a parent of his mainly for the purposes of his own or the parent's own residence, and the assessee has within a period of one year before or after that date purchased, or has within a period of two years after that date constructed, a house property for the purposes of his own residence, then, it shall be dealt with in accordance with the following provisions:—

- (i) if the cost of new asset is less than the amount of capital gain, the difference between the amount of the capital gain and the cost of new asset shall be charged as capital gains as the income of the previous year. If such new asset is transferred within a period of three years of its purchase or construction, as the case may be, its cost (for the purposes of computing capital gains arising from its transfer) shall be taken as *nil* ; or
- (ii) if the cost of new asset is more than the amount of capital gain, the capital gain shall not be charged. If such new asset is transferred within a period of three years of its purchase or construction, as the case may be, its cost (for the purposes of computing capital gains arising from its transfer) shall be reduced by the amount of capital gain.

Example : Mr. X sold his residential house for Rs. 2,00,000 on 20th Dec. 1977. The property was purchased in 1965 for Rs. 1,00,000 and was used by him for residence purposes. The long-term capital gain is Rs. 1,00,000.

- (i) If Mr. X purchases another residential house for Rs. 50,000 before 20th December, 1978 or constructs a residential house with a cost of Rs. 50,000 before 20th December 1979, then a sum of Rs. 50,000 (Rs. 1,00,000 being the amount of capital gain—Rs. 50,000 being the cost of new property) as long term-capital gain will be added in the gross total income.
- (ii) If Mr. X purchases another residential house for Rs. 1,00,000 or more before 20th December 1978 or constructs a residential house with a cost of Rs. 1,00,000 or more before 20th December, 1979, no amount of capital gain is includible in his gross income.

Where any house property is compulsorily acquired under any law and additional compensation is awarded by any Court, tribunal or other authority, the capital gain attributable to such additional compensation would be exempted from tax if such additional compensation is utilised by the assessee for the purpose of purchase or construction of a house property for his personal residence within the specified time limit, i.e., one year before or after the date of receipt of the additional compensation if the assessee purchases a house property for the purposes of his own residence and two years after the date of receipt of the additional compensation if the assessee constructs a house property for the purposes of his own residence.

The capital gain attributable to the enhancement by any Court, tribunal or other authority of the compensation for the compulsory acquisition of any capital asset, shall be computed as under:—

- (i) Where the capital gain originally computed results into a loss or did not result into profits or gains chargeable under the head capital gains then the additional compensation will be included into the original compensation and it will be treated as full value of consideration. From this figure the cost of the asset will be deducted and the resultant figure will be the capital gain.

- (ii) Where the capital gain originally computed results into profits or gains chargeable under the head capital gain then the additional compensation will be added in the original computed capital gain.

Where the taxpayer is not in a position to purchase other residential house or constructs other residential building within the said specified period before the completion of the assessment for the assessment year in which capital gains arising from the transfer of residential building is charged to tax, then the capital gains arising on transfer of residential building will have to be included in the assessment of the taxpayer for the relevant assessment year. However, if, after completion of the assessment the taxpayer purchases another residential house or constructs residential building within the specified period, then, the Income-tax Officer shall amend the assessment order made by him so as to exclude the amount of capital gains not chargeable to tax u/s 54 of the Income-tax Act, 1961. The period of limitation of four years for amending the assessment order in such cases will run from the date of assessment order for the year in which such capital gain is taxed [Section 155(8)].

Capital gains on transfer of agricultural land (Section 54 B).

Prior to 1st March, 1970 agricultural land situated anywhere in India was specifically excluded from the definition of capital asset and consequently the profits and gains arising from the transfer of such land till 28th February, 1970 was wholly exempt from tax. With effect from 1st March, 1970 urban agricultural land has been brought within the meaning of 'Capital asset'.

Thus the capital gain arising after 28th February, 1970 from the transfer of a capital asset being land which, in the two years immediately preceding the date on which the transfer took place, was being used by the assessee or a parent of his for agricultural purposes, and the assessee has, within a period of two years after that date, purchased any other land for being used for agricultural purposes, then, instead of the capital gain being charged to income-tax as income of the previous year in which the transfer took place shall be dealt with in accordance with the following provisions :—

- (i) if the cost of the agricultural land so purchased is less than the amount of the capital gains, the difference between the amount of the capital gain and the cost of the new land shall be charged under section 45 as the income of the previous year. If such new land is transferred within a period of three years of its purchase, its cost (for the purpose of computing capital gain arising from its transfer) shall be taken as *nil*; or
- (ii) if the cost of the new land so purchased is more than the amount of the capital gains, the capital gain shall not be charged. If such new land is transferred within a period of three years of its purchase, its cost (for the purpose of computing capital gain arising from its transfer) shall be reduced by the amount of capital gain.

Where any agricultural land is compulsorily acquired under any law and additional compensation is awarded to the assessee by any Court, tribunal or other authority, the capital gain attributable to such enhanced compensation will be exempted from tax if the additional compensation is utilised for the purchase of other agricultural land within a period of two years from the date of receipt of additional compensation.

Where the taxpayer is not in a position to purchase the agricultural land before the completion of assessment for the assessment year in which the capital gain arising from the transfer of agricultural land is charged to tax, then, the capital gains arising on transfer of the agricultural land will have to be included in the assessment for the relevant assessment year. However, if after the completion of the assessment the taxpayer purchases another agricultural land within the specified period of two years, then, the Income-tax Officer shall amend the assessment order given by him so as to exclude the amount of the capital gains not chargeable to tax under section 54 B of the Income-tax Act, 1961. The period of limitation of four years for amending the assessment order in such cases will run from the date of assessment order for the year in which such capital gain is taxed Section 155 (9).

Capital gain on transfer of jewellery (Section 54C)

Upto and inclusive of the assessment year 1972-73, jewellery held for personal use was specifically excluded from the definition of "Capital asset" as a part of personal effects and consequently the profits or gains arising from the transfer of such jewellery had not been chargeable to tax as capital gains.

For and from the assessment year 1973-74 to the assessment year 1975-76 where the capital gain arises from the transfer of a capital asset, being jewellery held for personal use by the assessee or any member of his family dependant on him, and the assessee, has, within a period of six months after such transfer, acquired any other jewellery for personal use by the assessee or any member of his family dependant on him, the capital gain shall be dealt with in accordance with the following provisions:—

- (i) if the cost of the jewellery so acquired is not less than the full value of the consideration received or accruing in respect of the transferred jewellery, the whole of such capital gain shall not be charged under sec. 45; or
- (ii) if the cost of the jewellery so acquired is less than the full value of the consideration received or accruing in respect of the transferred jewellery, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the jewellery so acquired bears to the full value of the consideration received or accruing in respect of the transferred jewellery, shall not be charged under sec. 45.

The amount of exempt capital gain will be calculated as under :

$$\frac{\text{Cost of new jewellery}}{\text{Consideration received or accruing in respect of transferred jewellery}} \times \text{Capital gain on transferred jewellery}$$

Example : Mr. X acquired jewellery for Rs. 50,000 for personal use in 1960. The same was sold for Rs. 1,00,000 in June 1974. Mr. X has purchased some other jewellery for Rs. 60,000 in June 1974. Compute the capital gains.

$$\begin{aligned} \text{Amount of exempt capital gain} &= \frac{\text{Cost of new jewellery}}{\text{Consideration received or accruing in respect of transferred jewellery}} \times \text{Capital gain on transferred jewellery} \\ &= \frac{60,000 \times 50,000}{1,00,000} \\ &= \text{Rs. 30,000} \end{aligned}$$

Note : With effect from assessment year 1976-77 the special relief available on transfer of jewellery has been withdrawn by the Finance Act, 1976. Now the capital gains arising on transfer of jewellery will be taxed in accordance with the provisions of section 45 like other assets.

Capital gain on compulsory acquisition of lands and buildings (Section 54D)

For and from the assessment year 1974-75, where the capital gain arises from the transfer by way of compulsory acquisition under any law of a capital asset, being land or building or any right in land or building forming part of an industrial undertaking belonging to the assessee which, in the two years immediately preceding the date on which the transfer took place, was being used by the assessee for the purposes of the business of the said undertaking, and the assessee has within a period of three years after that date purchased any other land or building or any right in any other land or building or constructed any other building for the purpose of shifting or re-establishing the said undertaking or setting up another industrial undertaking, then, instead of the capital gain being charged to income-tax as the income of the previous year in which the transfer took place, it shall be dealt with in accordance with the following provisions :—

- (i) if the amount of the capital gain is greater than the cost of the land, building or right so purchased or the building so constructed (such land, building or right being hereafter in the section referred to as the new asset), the difference between the amount of the capital gain and the cost of the new asset shall be charged under

section 45 as the income of the previous year ; and for the purpose of computing, in respect of the new asset, any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be *nil* ; or

- ii) if the amount of the capital gain is equal to or less than the cost of the new asset, the capital gain shall not be charged under section 45, and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase or construction , as the case may be the cost shall be reduced by the amount of the capital gain,

Where any additional compensation is awarded to the assessee by any Court, tribunal or other authority, the capital gain attributable to such additional compensation would be exempted from tax. if such additional compensation is utilised within a period of three years from the date of receipt of additional compensation for the purchase of any land or building or any right in any other land or building or construction of any other building for the purpose of shifting or re-establishing the said undertaking or setting up another industrial undertaking.

Where the taxpayer is not in a position to purchase other land or building or construct another building for the above said purpose before the completion of the assessment for the assessment year in which the capital gain arising from the compulsory acquisition of his land or building is charged to tax then the capital gains arising on compulsory acquisition will have to be included in the assessment for the relevant assessment year. If the taxpayer purchases another land or building or construct new building for the above said purpose within the specified period of three years, then, the income-tax officer shall amend the assessment order made by him so as to exclude the amount of the capital gain not chargeable to tax under section 54 D of the income-tax Act, 1961. The period of limitation of four years for amending assessment order in such cases will run from the date of assessment order for the year in which such capital gain is taxed [Section 155 (10)]

Capital gains on transfer of capital assets not to be charged in certain cases : [Sec. 54 E]

With effect from assessment year 1978-79 where a capital asset, not being a short term capital asset, is transferred and the specified assets (enumerated hereafter) are acquired within six months of such transfer the long term capital gains arising from the transfer will not be liable to tax, if the value of the consideration for the transfer is used in acquiring the specified asset. Where only a part of such consideration is used in acquiring the specified asset, a proportionate part of the capital gain will not be liable to tax.

The taxpayer will be required to hold the new asset for a period of three years. Where the new asset is transferred or converted within a period of three years from the date of its acquisition the amount of capital gains arising from the transfer of the original asset not charged under section 45, shall be deemed to be income chargeable under the head "capital gains" relating to capital asset other than short term capital asset of the previous year in which the new asset is transferred or converted (*other than by transfer*) into money.

Specified asset means any of the following asset namely :—

(i) Securities of the Central Government or a State Government :—

(ii) Savings certificates as defined in clause (c) of section 2 of the Government Savings Certificates Act, 1959 (46 of 1959); namely

- | | |
|--|---|
| (a) 7 year National Savings Certificates (II Issue) | 6% compound (tax free) |
| (b) 7 year National Savings Certificates (III Issue) | 6% payable annually (tax free) |
| (c) 7 year National Savings Certificates (IV Issue) | 10.25% payable annually |
| (d) 7 year National Savings Certificates (V Issue) | 10.25% compound. |
| (e) 12 year National Savings Annuity Certificates | 10.25% paid partly in monthly instalments and partly on maturity. |

(iii) Units in the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);

- (iv) Debentures specified by the Central Government for the purposes of clause (ii) of sub-section (1) of section 80L.
- (v) Shares in any Indian company which are issued to the public or are listed in a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and any rules made thereunder; if the investment in such shares are made before the 1st day of March, 1978;
- (va) Equity shares forming part of any eligible issue of capital where the investment in such shares is made after 28th February, 1978.
- (vi) Deposits for a period of not less than three years with the State Bank of India, or any subsidiary bank as defined in the State Bank of India (Subsidiary Bank) Act, 1959 or any nationalised bank or any co-operative society engaged in carrying on the business of banking [Including a co-operative and mortgage bank or a co-operative land development bank]. Where the assessee deposits after 27th day of April, 1978 the full value of the consideration or any part thereto received or accruing as a result of the transfer or the original assets, in the assets mentioned in clause (vi) above, then he has to satisfy further the following conditions:—
- that he furnishes alongwith the deposit a declaration in writing to the bank or the co-operative society as referred to in clause (vi) above with which such deposit is made, to the effect that he will not take any loan or advance on the security of such deposit during a period of 3 years from the date on which deposit is made, and
 - that he furnishes, alongwith the return of income for the assessment year relevant to the previous year in which the transfer of original asset was effected or within such further time as may be allowed by the Income-tax Officer, a copy of the declaration referred to in clause (a) above duly attested by the officer not below the rank of a sub-agent, agent or manager of such bank or an officer of corresponding rank of such co-operative society.
 - that he shall furnish within a period of 90 days from the expiry of the period of 3 years reckoned from the date of such deposit, furnish to Income-tax Officer a certificate from the officer referred to in clause (b) above to the effect that he has not taken any loan or advance on the security of such deposit during the said period of 3 years

Note :—Where the transfer of the original asset is by way of compulsory acquisition under any law and the consideration of the transfer of capital asset is determined or approved by the Central Government or the Reserve Bank of India and there after the compensation awarded for such acquisition is enhanced by any Court tribunal or authority, then the assessee will have the option to take the benefit of section 54E, if he invest such additional compensation in the specified asset mentioned above within a period of 6 months after the date of receipt of additional compensation and fulfills the conditions of the said section as mentioned above.

Example:—Mr. A has sold a property for Rs. 1,00,000 on 10-6-77, the cost of the property was Rs. 60,000. He has deposited a sum of Rs. 50,000 in fixed deposit receipts for a period of 3 years with State Bank of India on 10-7-77 compute the capital gains not liable to tax.

Solution:—Since Mr. A has not invested the full consideration in specified assets, hence the full amount will not be exempt from tax, the proportionate part of capital gains will be exempt and the balance will be liable to tax. In this case the exempt part of capital gains will be as under

$$\begin{aligned}
 \text{Exempt Part of Capital gains} &= \frac{\text{Capital Gains} \times \text{Amount invested in specified assets.}}{\text{Full value of consideration}} \\
 &= \frac{\text{Rs. 40,000} \times \text{Rs. 50,000}}{\text{Rs. 1,00,000}} \\
 &= \text{Rs. 20,000}
 \end{aligned}$$

Capital gain on transfer of motor car—when cost exceeds Rs. 25,000 :

It has been laid down by the C.B.D.T. through their circular No 137 [F. No. 207/39/73— I.T.A.—11] dated 13-6-1974 that for the purpose of capital gains the actual cost of motor car whose value exceeds Rs. 25,000 shall be the true cost of acquisition of motorcar and not the actual cost as determined under section 43(1). The amount of capital gains or loss shall be computed as under :—

$$\text{Capital gain} = (\text{Sale price} + \text{Depreciation allowed}) - [\text{Cost of acquisition} + \text{Balancing charge or (—) Terminal depreciation}]$$

Note :— If the resulting figure is in *plus* then it is a capital gain and if the resulting figure is in *minus* then it is a capital loss.

Example :—

Facts of the case

Sale price of car	Rs. 40,000
Cost of acquisition	Rs. 50,000
Depreciation allowed	Rs. 12,200
Balancing charge	Rs. 7,200

Computation of capital gain/loss

$$\begin{aligned}
 \text{Capital gain/loss} &= (\text{Rs. } 40,000 + \text{Rs. } 12,200) - (\text{Rs. } 50,000 + \text{Rs. } 7,200) \\
 &= (\text{Rs. } 52,200 - \text{Rs. } 57,200) \\
 &= - \text{Rs. } 5,000
 \end{aligned}$$

As the resultant figure is in *minus* it is a capital loss.

Note :—This formula will not be applicable in respect of a indigenous car which is acquired after 28th February, 1975, because now depreciation is allowed on the indigenous car irrespective of its value.

Mode of computation and deductions (Section 48)

The income chargeable under head "Capital gains" shall be computed by deducting, from the full value of the consideration received or accruing as a result of the transfer of the capital asset, the following amounts, namely,—

- (i) expenditure incurred wholly and exclusively in connection with such transfer;
- (ii) the cost of acquisition of the capital asset and the cost of any improvement thereto.

MODE OF DETERMINING THE COST OF ACQUISITION OF CAPITAL ASSETS :

Cost of acquisition of assets where no depreciation is claimed (Section 49)

- (1) Where the capital asset became the property of the assessee in the following circumstances, the cost of acquisition of the asset shall be deemed to be the cost for which the previous owner of the property acquired it as increased by the cost of any improvement of the assets incurred or borne by the previous owner or the assessee, as the case may be [S. 49(1)] :

- on any distribution of assets on the total or partial partition of a Hindu undivided family [S. 49(1)(i)] ;
- under a gift or will [S. 49(1)(ii)] ;
- by succession, inheritance or devolution [S. 49(1)(iii)(a)] ;
- on any distribution of assets on the dissolution of a firm, body of individuals or other association of persons [S. 49(1)(iii)(b)] ;
- on any distribution of assets on the liquidation of a company [S. 49(1)(iii)(c)] ;
- under a transfer to a revocable or an irrevocable trust [S. 49(1)(iii)(d)] ;
- any transfer of a capital asset by a company to its subsidiary company if the parent company or its nominees hold the whole of the share capital of the Indian subsidiary company [S. 49(1)(iii)(e)] ;
- any transfer of a capital asset by a subsidiary company to the holding company if the whole of the share capital of the subsidiary company is held by the Indian holding company [S. 49(1)(iii)(e)] ;
- any transfer in a scheme of amalgamation, of a capital asset by the amalgamating company to the amalgamated company, if the amalgamated company is an Indian company [S. 49(1)(iii)(e)] ;
- on conversion of individual's property into H.U.F. by the mode referred to in section 64(2) [S. 49(1)(iv)] ;

- (2) Where the capital asset being a share or shares in an amalgamated Indian company became the property of the assessee in consideration of a transfer of the capital asset being a share or shares held by him in the amalgamating company, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the share or shares in the amalgamating company [S. 49(2)];

Cost of acquisition in the case of depreciable assets (Section 50)

Where the capital asset is an asset in respect of which a deduction on account of depreciation has been obtained by the assessee in any previous year, the cost of acquisition shall be determined as under :-

- where the asset is acquired in the previous year, the actual cost to the assessee;
- where the asset is acquired before the previous year, the actual cost to the assessee as reduced by all depreciation actually allowed to him and increased by the amount of balancing charge;

Provided that if an asset is acquired before the 1st January 1964, [1st January 1954-upto assessment year 1977-78] the assessee has an option to adopt the cost of acquisition at the fair market value as on 1st January, 1964 [1st January, 1954-upto assessment year 1977-78] plus all expenditure of a capital nature incurred in making any additions or alteration to the capital asset on or after 1st January 1964 [1st January 1954-upto assessment year 1977-78].

Cost of acquisition where on any occasion advance money forfeited (Section 51)

Where any capital asset was on any previous occasion the subject of negotiations for its transfer, any advance or other money received and retained by the assessee in respect of such negotiations shall be deducted from the cost for which the asset was acquired or the written down value, or the fair market value, as the case may be, in computing the cost of acquisition.

Example : Mr. X negotiated with Mr. Z to sell his land and received Rs. 10,000 as earnest money in 1968. Mr. Z. failed to pay the stipulated price fixed for the land on the due date. The amount of Rs. 10,000 was forfeited and retained by Mr. X. Later on Mr. X sold the said land for Rs. 60,000. The cost of the land was Rs. 30,000, Compute the capital gains.

Sale price of the land		Rs. 60,000
<i>Deduct :</i>		
Cost of the land	Rs. 30,000	
Less : Earnest money retained	Rs. 10,000	Rs. 20,000

Long-term capital gains		Rs. 40,000

Consideration for transfer in case of under statement (Section 52)

Where the capital asset is transferred by an assessee to a person who is directly or indirectly connected with the assessee for inadequate consideration and the Income-tax Officer has reason to believe that the transfer is effected with the object of avoiding or reducing the capital gains tax liability, he can substitute the fair market value as against the value shown by the assessee after obtaining the previous approval of the Inspecting Assistant Commissioner [Sec. 52 (1)] ;

Where the Income-tax Officer is of the opinion that the fair market value of a capital asset transferred by an assessee as on the date of the transfer exceeds the full value of the consideration declared by the assessee in respect of the transfer of such capital asset by an amount of not less than fifteen per cent. of the value so declared the full value of the consideration for such capital asset shall, with the previous approval of the Inspecting Assistant Commissioner, be taken to be its fair market value on the date of its transfer [Sec. 52 (2)] .

With effect from assessment year 1974-75 the provisions of the said sub-section 2 of section 52 will not apply where the capital asset is transferred to the Government or where the full value of the consideration for the transfer of the capital asset is determined or approved by the Central Government or the Reserve Bank of India.

Payment of tax in respect of capital gain arising on sale of property used for residence, [Section 54] on transfer of land used for agricultural purposes [Sec. 54-B] and on compulsory acquisition of land and buildings [Sec. 54-D]

It has been laid down by the C.B.D.T. through their circular No. 119 [F. No. 207/5/73-I.T. (A 11)] dated 26/9/73 that when the capital gains have not been invested before filling the return although he proposes to do so later the payment of tax on self assessment and regular assessment should be as under—

- (a) in cases where the assessee has received the sale proceeds of the capital asset transferred, he should pay the taxes on the due dates.
- (b) in cases where the sale proceeds of the asset transferred have not been received for any reason the Income-tax Officer may not impose penalty for non-payment of the tax in view of the special circumstances due to which the assessee is prevented from payment of the tax. However, as soon as the sale proceeds are received the collection may be enforced and failure to pay the taxes may be visited with penalty.

Set off losses under the head "Capital gains" (Section 74)

- (i) With effect from assessment year 1968-69 a loss relating to short-term capital assets can be set off against any head of income. If there remains any balance the same will be carried forward for not more than eight assessment years and will be set off only against capital gains, if any, relating to short-term capital assets.
- (ii) A loss relating to long-term capital assets can be set off against long-term capital gains. If there remains any balance, the same will be carried forward for not more than four assessment years provided it is more than Rs. 5,000. Any such loss upto Rs. 5,000 is to be ignored.

MODE OF TAXATION OF CAPITAL GAIN

In case of assessee other than companies :

- (1) **SHORT-TERM CAPITAL GAINS :** With effect from assessment year 1968-69 the short-term capital gains are treated at par with the ordinary income and taxed in the same way as the income of the assessee.
- (2) **LONG-TERM CAPITAL GAINS :** (Section 80T) : A concession in tax on long-term capital gains is granted in the form of deduction of specified proportion of long-term capital gains from the gross total income of the assessee.

Where the gross total income includes long-term capital gains, the following deductions are admissible for the purpose of computing the total income :—

AMOUNT OF DEDUCTION ADMISSIBLE

	For the A. Y. 1968-69 to 1971-72	For the A. Y. 1972-73 to 1974-75	For the A. Y. 1975-76 & subsequent years
(a) In a case where the gross total income (including capital gains) does not exceed rupees 10,000 or where the long-term capital gains does not exceed Rs. 5,000,	The whole of such gains.	The whole of such gains.	The whole of such gains.

	For the A.Y. 1968-69 to 1971-72	For the A.Y. 1972-73 to 1974-75	For the A.Y. 1975-76 & subsequent years
(b) In any other case—			
(i) in respect of long-term capital gains relating to land or buildings or any rights therein.	The first Rs. 5,000 of such gains plus 45% of the balance thereof.	The first Rs. 5,000 of such gains plus 35% of the balance thereof.	The first Rs. 5,000 of such gains plus 25% of the balance thereof.
(ii) in respect of long-term capital gains relating to any other capital assets.	The first Rs. 5,000 of such gains <i>in so far as such deduction has not been availed of under clause (b)(i) above</i> plus 65% of the balance thereof.	The first Rs. 5,000 of such gains <i>in so far as such deduction has not been availed of under clause (b)(i) above</i> plus 50% of the balance thereof.	The first Rs. 5,000 of such gains <i>in so far as such deduction has not been availed of under clause (b)(i) above</i> plus 40% of the balance thereof.

Example :

An assessee has the following income in A.Y. 1978-79

—Income from business	Rs. 20,000
—Short-term capital gains	Rs. 10,000
—Long-term capital gains relating to land and building	Rs. 10,000
—Long-term capital gains other than land and building	Rs. 10,000

Solution :**Computation of taxable income**

Income from business

Capital gains :

—Short-term	Rs. 10,000	Rs. 20,000
—Long-term relating to land and building	Rs. 10,000	
—Long-term other than land and building	Rs. 10,000	Rs. 30,000
	Gross total income	Rs. 50,000

Deduction u/s 80T :

Relating to land and building

Rs. 5,000 + 25% of Rs. 5,000
(Rs. 10,000 – Rs. 5,000)

= Rs. 6,250

Relating to assets other than land and building
(40% of Rs. 10,000)

= Rs. 4,000 Rs. 10,250

Taxable income Rs. 39,750

In case of companies :

- (1) **SHORT-TERM CAPITAL GAINS**—With effect from assessment year 1968-69 the short-term capital gains are treated at par with the ordinary income and taxed in the same way as the other income of the company.
- (2) **LONG-TERM CAPITAL GAINS (Section 115)**: The long-term capital gains are taxed at the following rates :

	For A.Y. 1968-69 to 1971-72	For A.Y. 1972-73 to 1974-75	For A.Y. 1975-76 & 1976-77	For A.Y. 1977-78 & subsequent year
(a) Long-term capital gains relating to land and building or any rights therein				
(i) in case of widely-held companies having taxable income not exceeding rupees one lac (other than long-term capital gains).	40%	45%	47%	40%
(ii) In other case	40%	45%	55%	50%
(b) Long-term capital gains relating to other assets.	30%	35%	45%	40%

Section 56 (1) lays down that income of every kind which is not to be excluded from the total income under the income-tax Act, 1961 shall be chargeable to income-tax under the head "income from other sources," if it is not chargeable to income tax under any of the heads specified in section 14, items A to E.

Sub-section (2) of section 56 enacts that in particular and without prejudice to the generality of the provisions of sub-section (1), the following income shall be chargeable to income-tax under the head "Income from other sources."

(1) Dividends [Section 56 (2)(i)] Dividend income arises from ownership of shares of companies. Shares may be held as investment or as stock-in-trade. A comprehensive definition of dividend is given in section 2(22) of the Act. Section 8(a) enacts that a dividend received by a shareholder is deemed to be his income for the previous year in which it is declared, distributed or paid. Section 8 (b) enacts that an interim dividend paid by a company shall be deemed to be the income of the previous year in which the amount of such dividend is unconditionally made available by the company to the member who is entitled to it. The amount chargeable to tax is the gross amount of the dividend and not the net. The benefit of tax deducted at source is given to the assessee by treating the same as amount paid by the assessee towards tax.

The amount chargeable to tax in respect of dividend received from a foreign company is the net amount and no benefit of tax paid at source is given to the assessee.

The dividend is taxed in the hands of the person whose name appears as a shareholder in the company's shareholders register at the time of declaration of dividend.

Clause (i) of the first proviso of section 199 lays down that where income of any other person is included in the assessee's total income under section 60, 61, 64, 93 or 94 the tax in respect of such income should be deemed to have been paid on behalf of the assessee and credit should be given to him therefor in the assessment. Clause(ii) of the first proviso of section 199 lays down that where the dividend is assessable in the hands of beneficial owner other than the registered shareholder, the credit will be given to the beneficial owner on furnishing of declaration in Form No. 15B as prescribed under Rule 50 A (2) by the registered shareholder and by the person claiming credit. The second proviso of section 199 enacts that where any share or security is owned jointly by two or more persons not constituting a partnership, credit in respect of tax deducted should be given to each such person in the same proportion in which the interest or dividend has been included in his total income.

Deduction to be made from gross amount of dividend [section 57]

(1) Any reasonable sum paid by way of commission or remuneration to a banker or any other person for the purpose of realising such dividend on behalf of the assessee;

(2) Interest on loans taken for purchasing shares.

(ii) Refund of annuity deposit [section 56(2)(ia)]

Any annuity due or the commuted value of any annuity paid under section 280-D of the Act is chargeable under the head "income from other sources" It is chargeable on due basis, whether received or not.

(iii) Winnings from lotteries, crossword puzzles, races and card games etc. [section 56(2)(ib)]

On and from assessment year 1973-74, the income as a result of winnings from lotteries, crossword puzzles, races, card games etc. will be chargeable to tax. Under section 10(3) of the Act such receipts (except lottery winnings) as are in excess of Rs. 1,000 are included in total income. Losses from these sources will be set off only against income from same source. Losses, after set off, if any, as stated above, will not be allowed to be carried forward and set off, against income of any subsequent year.

Deduction in case of winning from lotteries [section 80TT]

Where the gross total income of an assessee, not being a company, includes any income by way of winnings from any lottery, there shall be allowed in computing the total income of the assessee, a deduction from the winnings from lotteries of an amount equal to.

(1) in a case where the gross total income (including winnings from lotteries) does not exceed Rs. 10,000/- or where the winning from lotteries do not exceed Rs. 5,000 -, the whole of such winnings,

(2) in any other case, Rs. 5,000 - as increased by a sum equal to 50% of the amount by which the winnings exceeds Rs. 5,000;-

(iv) Income from machinery, plant or furniture let on hire [section(56)(2)(ii) and (iii)]

Where an assessee lets on hire machinery, plant or furniture belonging to him with or without building and the letting of building is inseparable from the letting of the said machinery, plant or furniture, the income from such letting, if it is not chargeable to tax under the head 'Business', shall be chargeable under the head "Income from other sources."

Deduction to be made in respect of rental income of machinery, plant of furniture with or without building [section 57]

(1) In respect of rental income derived from such assets the following allowances as granted under the head "Income from business or profession" would also be granted in the head "Income from other sources" [section 57(ii)];

(i) amount paid on the current repairs of the building [s. 30(a)(ii)]

(ii) amount of insurance premia paid in respect of building [s. 30(c)]

(iii) amount paid on the current repairs for plant, machinery or furniture [s. 31(i)]

(iv) amount of insurance premia paid for machinery, plant or furniture [s. 31(ii)]

(v) amount of depreciation in respect of buildings, machinery, plant or furniture [s. 32(1)] with a right to carry forward the same [s. 32(2)]

(vi) allowance for shortfall of written down value [s. 32(IA)].

It would be noticed that no deduction is permitted in respect of development rebate or investment allowance as it is under section 33 in relation to business.

(2) Any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning such income [section 57(iii)]

RETURN OF INCOME

VOLUNTARY RETURN :

Under section 139(1) of the Income-tax Act, 1961, every person, if his total income or the total income of any other person in respect of which he is assessable under this Act during the previous year exceeded the maximum amount which is not chargeable to income-tax, shall furnish a return of his income or the income of such other person during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed. Upto and including the assessment year 1971-72, in case of assessee who had income from business or profession, the return of income had to be filed by 30th June of the assessment year or within six months from the end of the accounting year whichever is later, while in other cases the return of income had to be filed by 30th day of June of the assessment year. However, for and from the assessment year 1972-73, in case of assessee who have income from business or profession the return of income shall be filed by 30th day of June of the assessment year or within four months from the end of the accounting year whichever is later, while in other cases the return of income shall be filed by 30th day of June of the assessment year: Provided that on an application made by the assessee in the prescribed Form No. 6, the Income-tax Officer, may, in his discretion, extend the date for furnishing the return of income beyond the prescribed date, and, notwithstanding that the date is so extended interest shall be chargeable at the rate of twelve per cent. in accordance with section 139(8) of the Act.

Under sub-section (1A) of section 129 there is no need for furnishing the return of income in case of assessee whose income consists of the income chargeable under the head 'Salaries' or of income of the nature referred to in section 80L : provided the following conditions are fulfilled, namely :—

- (a) where he or such other person was employed during the previous year by a company, he or such other person was at no time during the previous year a director of the company or a beneficial owner of shares in the company (not being shares entitled to a fixed rate of dividend with or without a right to participate in profits) carrying not less than twenty per cent. of the voting power;
- (b) his salary or the salary of such other person, exclusive of the value of all benefits or amenities not provided for by way of monetary payment, does not exceed eighteen thousand rupees;
- (c) the amount of income of the nature referred to in clauses (i) to (ix) of sub-section (1) of section 80L, if any, does not, in the aggregate, exceed three thousand rupees; and
- (d) the tax deductible at source under section 192 from the income chargeable under the head 'Salaries' has been deducted from that income.

RETURN IN RESPONSE TO SPECIFIC NOTICE :

Under section 139(2) of the Income-tax Act, 1961, the Income-tax Officer may issue a notice for filing the return of income to any person, who in his opinion is assessable under the Act. If such notice under section 139(2) of the Income-tax Act has been received by an assessee then the return is to be furnished within 30 days from the date of receipt of such notice even if the date for filing the return under section 139(1) falls later than the time allowed (i. e., thirty days). On an application made by the assessee in the prescribed form No. 6, the Income-tax Officer may, in his discretion, extend the date for furnishing the return beyond the prescribed date.

LOSS RETURN :

Section 139(3) of the Act provides that any assessee who has not been served with a notice under section 139(2) and has suffered a loss in any previous year under the head 'Profits and gains of business or profession' or under the head 'Capital gains' and intends to carry forward and set off such loss against the profits under the above heads for the subsequent years, should file his return within the time allowed under section 139(1) or within such further time which on an application made in Form No. 6, the Income-tax Officer may, in his discretion, extend.

BELATED RETURN :

Under section 139(4) of the Income-tax Act, any person who has not furnished a return within the time allowed to him under section 139(1) or 139(2) may, before the assessment is made, furnish the return for any previous year at any time before the expiry of period specified hereunder :—

- (i) where the return relates to previous year relevant to any assessment year commencing on or before the 1st day of April, 1967, four years from the end of such assessment year;
- (ii) where the return relates to a previous year relevant to the assessment year commencing on the 1st day of April, 1968, three years from the end of the assessment year; and
- (iii) where the return relates to a previous year relevant to any other assessment year, two years from the end of such assessment year.

RETURN OF CHARITABLE AND RELIGIOUS TRUST :

Section 139(4A) of the Act provides that every person who is in receipt of income from property held under trust or other legal obligation, wholly for charitable or religious purposes or in part only for such purposes, or of income, being voluntary contributions referred to in sub-clause (ia) of clause (24) of section 2, shall, if the total income in respect of which he is assessable as a representative assessee (the total income being computed before making any deductions allowable under sections 11 & 12 of the Act) exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed within the time allowed under sub-section (1) of section 139 of the Act.

REVISED RETURN :

Under section 139(5) of the Income-tax Act, 1961, if any person having furnished a return discovers any omission or wrong statement therein, he may furnish a revised return at any time before the assessment is made.

Section 140A of the Act, which came into force on 1st April, 1976, provides that if any tax is payable on the basis of any return required to be furnished u/s 139 or section 148, after taking into account the amount of the tax, if any, already paid under any provision of this Act, the assessee shall be liable to pay such tax before furnishing the return and return shall be accompanied by proof of payment of such tax. After a regular assessment u/s 143 or section 144 has been made, any amount paid on the self assessment shall be deemed to have been paid towards such regular assessment.

Provisional assessment for refund [s. 141A]:

Under section 141A(1) of the Act, the Income-tax Officer shall make in the summary manner within six months, the provisional assessment of the sum refundable to the assessee provided the following conditions are satisfied :

- (i) the return has been furnished u/s 139 of the Act;
- (ii) the assessee claims that the tax paid or deemed to have been paid by him by way of advance tax and deduction at source, as the case may be, exceeds the tax payable by him on the basis of the return and the documents and accounts accompanying it; and
- (iii) the Income-tax Officer is of the opinion that the regular assessment of the assessee is not likely to be made within six months from the date of the furnishing the return.

In the course of assessment, the Income-tax Officer is authorised to make certain adjustments as given below to the income or loss declared in the return:

- (a) rectify the arithmetical errors in the return, accounts and documents;
- (b) allow any deduction, allowance or relief which on the basis of information available in the return, accounts and documents is *prima facie* admissible, but is not claimed in the return;
- (c) disallowance of any deduction, allowance or relief claimed in the return which on the basis of the information available in such return, accounts and documents is *prima facie*, is inadmissible;
- (d) giving due effect to the deduction in respect of unabsorbed depreciation, unabsorbed development rebate, unabsorbed development allowance, unabsorbed scientific research expenditure, unabsorbed business losses, unabsorbed capital gains, unabsorbed deficiency etc. under sections 32(2), 33(2)(ii), 33A(2)(ii), 35(2)(i), 35A(1), 35D(1), 35E(1), 36(1)(ix); 72(1), 73(2), 74(1), 74A(3), and 80J(3).

After giving the due effect to the above adjustments the Income-tax Officer shall complete the assessment under this section and grant the refund due. There shall be no right of appeal against a provisional assessment for refund.

Summary assessment without calling the assessee [s. 143(1)]:

Where a return has been made under section 139, the Income-tax Officer may, without requiring the presence of the assessee or the production by him of any evidence in support of the return, make an assessment of the total income or loss of the assessee after making the following adjustments to it referring to the return and the accounts and documents accompanying it and also to the record of the assessment of past year for purposes of sub-clause (iv) below and determine the sum payable by the assessee or refundable to him on the basis of such assessment. The adjustments referred to are:

- (i) rectification of any arithmetical errors in the return, accounts and documents;
- (ii) grant of any deduction, allowance or relief which on the basis of information available in such return, account or documents is *prima facie* admissible, but is not claimed in the return;
- (iii) disallowance of any deduction, allowance, or relief claimed in the return which on the basis of the information available in such return accounts and documents, is *prima facie* inadmissible;
- (iv) giving due effect to the deduction in respect of unabsorbed depreciation, unabsorbed development rebate, unabsorbed development allowance, unabsorbed scientific research expenditure, unabsorbed business losses, unabsorbed capital gains, unabsorbed deficiency etc. under sections 32(2), 33(2)(ii), 33A(2)(ii), 35(2)(i), 35A(1), 35D(1), 35E(1), 36(1)(ix), 72(1), 73(2), 74(1), 74A(3) and 80J(3).

The assessment made u/s 143(1) is not appealable but application under Form No. 6A for objecting to such assessment can be made within one month of service of demand notice.

Assessment after hearing evidence [s. 143(3)]:

Where a return has been made u/s 139, and—

- (i) an assessment has been made u/s 143(1) but the assessee makes within one month from the date of service of the notice of demand an application objecting to the assessment to the Income-tax Officer, or
- (ii) whether or not an assessment has been made u/s 143(1) but the Income-tax Officer considers necessary or expedient to verify the correctness and completeness of the return by requiring the presence of the assessee or the production of evidence in this behalf, the Income-tax Officer must serve on the assessee a notice u/s 143(2) for personal hearing or for the production of evidence in support of the return.

Where an assessment has been made u/s 143(1), the notice u/s 143(2) [except in pursuance of an application by the assessee] cannot be issued by the Income-tax Officer without obtaining the prior approval of the Inspecting Assistant Commissioner, after taking into account all relevant material which the Income-tax Officer has gathered and after hearing such evidence as the assessee may produce. The Income-tax Officer shall make an assessment or a fresh assessment if the assessment made u/s 143(1) has been objected to by the assessee or it is found to be incorrect, inadequate or incomplete in any material respect (*within the meaning of Explanation to Section 143*). The assessment made under section 143(3) of the Act is appealable.

Best judgment assessment [s. 144] :

If any person—

- (a) fails to make the return required by any notice given u/s 139(2) and section 148 and has not made a return or a revised return u/s 139(4) or (5), or
- (b) fails to comply with all the terms of a notice issued u/s 142(1) or fails to comply with a direction issued under sub-section (2A) of section 142, or
- (c) having made a return fails to comply with all the terms of a notice issued u/s 143(2) regarding personal attendance or production of further evidence in support of the return of income made,

the Income-tax Officer, after taking into account all relevant material which he has gathered, shall make the assessment of the total income or loss to the best of his judgment and determine the sum payable by or refundable to the assessee on the basis of such assessment.

The Income-tax Officer must not act dishonestly or capriciously because he has to exercise judgment in the matter. He must make what he honestly believes to be a fair estimate of the proper figure of assessment. In making a best judgment or ex-parte assessment, he should be guided by rules of justice, equity and good conscience.

If the assessee was prevented by sufficient cause from complying with any of the notice mentioned above, he may make an application u/s 146 of the Act to the Income-tax Officer within one month from the date of receipt of the notice of demand for the cancellation of the assessment. If the Income-tax Officer is satisfied about the sufficiency of the cause, he may cancel the assessment and proceed to make a fresh assessment. The application made u/s 146 shall be disposed off within ninety days from the date of receipt thereof by the Income-tax Officer.

Assessment made under section 144 is appealable in so far as the quantum of assessment is concerned. Refusal to re-open the assessment u/s 146 by the Income-tax Officer is also appealable.

Time limit for completion of assessment or re-assessment [s. 153]:

- (i) Under sub-section (1) of section 153 with effect from 1st April, 1969, the assessment proceedings have to be completed within two years from the end of the assessment year or within one year from the date of the filing of the return under section 139(4) or section 139(5), whichever is later.
- (ii) Under section 153(2A), which is applicable from the assessment year 1971-72, where the original assessment made under section 144 is cancelled under section 146 or the original assessment is set aside or cancelled in appeal; then the fresh assessment is to be made before the expiry of two years from the end of the financial year in which the original assessment was cancelled and in the case of assessment set aside in appeal, the fresh assessment has to be completed before the expiry of two years from the end of the financial year in which the order of the Appellate Assistant Commissioner of Income-tax or Appellate Tribunal is received by the Commissioner of Income tax or in which the order in revision is passed by the Commissioner.

PENALTIES AND PROSECUTIONS

(1) Failure to pay self-assessment tax u/s 140A [s. 140A(3)]

(i) *Provisions applicable upto 31st March, 1976.*

Under section 140A(1) of the Income-tax Act, 1961 an assessee is required to pay self assessment tax within thirty days of furnishing the return of income under section 139 of the Income-tax Act, 1961 if the tax payable on the basis of the return as reduced by the tax deducted at source or paid in advance exceeds Rs. 500 and the regular assessment u/s 143 or 144 has not been made before the expiry of thirty days referred to in that sub-section. In case of default he shall be liable, by way of penalty, to pay such amount as the Income-tax Officer may direct, and in case of a continuing default, such further amount or amounts as the Income-tax Officer may, from time to time, direct, so however that, the total amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be.

(ii) *Provisions applicable from 1st April, 1976.*

Under the amended section 140A(1), which came into force from 1st April, 1976, an assessee is required to pay self assessment tax before filing the return of income under section 139 or 148 of the Income-tax Act, 1961 and the amount of tax becomes payable on the basis of return and the return shall be accompanied by proof of payment of such tax. In case of default the Income-tax Officer may direct that a sum equal to two per cent. of such tax or part thereof, as the case may be, shall be recovered from him by way of penalty for every month during which the default continues.

(2) Penalty for non-payment of tax [s. 221]:

Under section 221(1), when an assessee is in default or is deemed to be in default in making a payment of tax, he shall, in addition to the amount of the arrears and the amount of interest payable under sub-section (2) of section 220, be liable by way of penalty, to pay such amount as the Income-tax Officer may direct, and in the case of a continuing default, such further amount or amounts as the Income-tax Officer may, from time to time, direct, so however, that the total amount of penalty does not exceed the amount of tax in arrears.

The Taxation Laws (Amendment) Act, 1975 has added an *Explanation* to the second proviso of sub-section (1) of section 221 which had come into force on 1st October, 1975. This new *explanation* has clarified that once the default under section 220(1) has occurred the penalty would be leviable even if the tax has been paid before the levy of penalty, if so directed by the Income-tax Officer.

Under section 221(2) where as a result of any final order, the amount of tax, with respect to the default in the payment of which the penalty was levied, has been wholly reduced, the penalty levied shall be cancelled and the amount of penalty paid shall be refunded.

(3) Failure to furnish information regarding securities and dividend [s. 270] :

If any person, without reasonable excuse fails, to comply with a notice issued under sub-section (6) of section 94, the Income tax Officer may direct that such person shall pay by way of penalty a sum not exceeding five hundred rupees and by way of further penalty a like amount for every day after the infliction of such penalty during which the failure continues.

(4) Non-filing or late filing of return [s. 271(1)(a)]:

If the Income-tax Officer or the Appellate Assistant Commissioner in the course of any proceedings under this Act, is satisfied that any person has without reasonable cause failed to furnish the return of total income which he was required to furnish under sub-section 1 of section 139 or section 148 or has without reasonable cause failed to furnish it within the time allowed and in the manner required by sub-section 1 of section 139 or by such notice, as the case may be, shall be liable to pay penalty in addition to the amount of tax, if any, payable by him;

- (i) where a return of income is filed on or before 31st March, 1976, a sum equal to 2% of tax for every month during which the default continued, not exceeding in the aggregate 50% of the assessed tax;

(ii) where a return is filed on or after 1st April, 1976,

- (a) in case of a charitable trust or religious trust as referred to in section 139(4A) where the total income in respect of which he is assessable as a representative assessee does not exceed the maximum amount which is not chargeable to income-tax, a sum not exceeding 1% of total income computed under this Act without giving effect to the provisions of sections 11 and 12 for each year or part thereof during which the default continued, and
- (b) in any other case a sum equal 2% of the assessed tax for every month during the default continued.

Under section 271 (2) of the Income-tax Act, 1961 the penalty on the registered firm or an unregistered firm treated as registered firm u/s 183(b) of the Income-tax Act, 1961 shall be calculated as if it is an un-registered firm.

Sub-section 3 of section 271 provides that;—

- (a) no penalty for failure to furnish the return of income under sub-section 1 of section 139 shall be imposed under sub-section 1 of section 271 on an assessee whose total income does not exceed the maximum amount not chargeable to tax, in his case by one thousand five hundred rupees;
- (b) where a person has failed to comply with a notice under sub-section 2 of section 139 or section 148 and proves that he has no income liable to tax; the penalty imposable under sub-section 1 of section 271 shall not exceed twenty five rupees;
- (c) no penalty shall be imposed under sub-section 1 of section 271 upon any person assessable under clause (i) of sub-section 1 of section 160, read with section 161, as the agent of a non-resident for failure to furnish the return under sub-section 1 of section 139;
- (d) the penalty imposed for non filing or late filing of return in accordance with *Explanation 3* of section 271(1) and for concealment of income shall not exceed in the aggregate twice the amount of the tax sought to be evaded.

(5) Wrong distribution of profits of a registered firm [s.271(4)]:

If the Income-tax Officer or the Appellate Assistant Commissioner, in the course of any proceedings under the Act, is satisfied that the profits of a registered firm have been distributed otherwise than in accordance with the shares of the partners, as shown in the instrument of partnership on the basis of which the firm has been registered under this Act, and that any partner has thereby returned his income below its real amount, he may direct that such partner shall, in addition to the tax, if any, payable by him, pay by way of penalty a sum not exceeding one and a half times the amount of tax which has been avoided, or would have been avoided, if the income returned by such partner had been accepted as his correct income; and no refund or other adjustment shall be claimable by any other partner by reason of such distribution.

(6) Non-compliance of notice under section 142(1), 143(2) or direction u/s 142 (2A) [s. 271(1)(b)]:

If the Income-tax Officer, or the Appellate Assistant Commissioner in the course of any proceedings under this Act, is satisfied that any person has without reasonable cause failed to produce or cause to be produced, any evidence on which he may rely in support of the return or to attend in person before the Income-tax Officer, at his office in response to a notice issued to him under section 143(2) or without reasonable cause, failed to produce or cause to be produced on specified date, such accounts or documents or other information as directed by the Income-tax Officer in response to a notice issued to him under section 142(1) or fails to comply with a direction issued under section 142(2A), he shall be liable to penalty for such default. The minimum penalty for such default is an amount equal to 10% of the difference between the tax on assessed income and tax on income as shown in return subject to a maximum penalty of 50% of such difference.

Under section 271(2) of the Act, the penalty on the registered firm or unregistered firm treated as registered under section 183(b), will be calculated as if it is an unregistered firm.

(7) Concealment of income or furnishing inaccurate particulars of income [s. 271(1)(c)]:

If the Income-tax Officer or the Appellate Assistant Commissioner, in the course of any proceedings under this Act, is satisfied that any person has concealed the particulars of his income or furnished inaccurate particulars of such income, he may direct that such person shall pay by way of penalty the under-mentioned sum as penalty in addition to any tax payable by him;

- (i) where the default is occurred on or before 31st March, 1968, the minimum penalty for such default is an amount equal to 20% of difference between the tax on assessed income and the tax on the returned income and the maximum is one and a half times of such difference of tax,
- (ii) where the default is occurred between 1st April, 1968 and 31st March, 1976, the minimum penalty is equal to the income in respect of which the particulars have been concealed or inaccurate particulars have been furnished and maximum penalty is twice of such sum,
- (iii) where the default is occurred on or after 1st April, 1976, the minimum penalty for such default is equal to the amount of tax sought to be evaded by reason of concealment of particulars of his income or the furnishing of inaccurate particulars of such income and the maximum penalty is twice the amount of tax sought to be evaded.

With effect from 1st April, 1976 in the following circumstances it will be deemed that the assessee has concealed the particulars of income or furnished inaccurate particulars of income;

- (i) where in respect of any facts, material to the computation of the total income of any person under this Act, such person fails to offer an *Explanation* or offers an *Explanation* which is found to be false or which he is not able to substantiate:

Provided that nothing contained above shall apply in respect of any amount added or disallowed as a result of the rejection of any *explanation* offered by such person, if such *Explanation* is *bonafied* and all the facts relating to the same and material to the computation of his total income have been disclosed by him [*Explanation 1 to section 271(1)(iii)*];

- (ii) where the source of any receipt, deposit, outgoing or investment in any assessment year is claimed by any person to be an amount which had been added in computing the income or deducted in computing the loss in any earlier assessment year or years but in respect of which no penalty had been levied, then, the department can presume that he had concealed the particulars of income in the years in which such intangible additions were made and proceedings for imposition of penalty would be initiated for such earlier year or years [*Explanation 2 to section 271(1)(iii)*];
- (iii) where a person who has not previously been assessed under the Income-tax Act, fails to file the return for the assessment year 1974-75 and subsequent years without reasonable cause u/s 139 within the normal period of limitation as specified in section 153(1)(a)(iii) and no notice u/s 139(2) or sec. 148 has been issued to him until the expiry of the limitation period, he will be deemed to have concealed the particulars of his income. [*Explanation 3 to section 271(1)(iii)*].
- (iv) The "amount of tax sought to be evaded" means that,—
 - (a) in a case where an amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished, exceeds the total income assessed, means the tax that would have been chargeable on the income in respect of which particulars have been concealed or inaccurate particulars have been furnished, had such income been the total income ;
 - (b) in a case where a person who had not submitted his return u/s 139 within the normal period of limitation as specified in section 153(1)(a)(iii) and no notice u/s 139(2) or sec. 148, until the expiry of limitation period, had been issued upon him, means the tax on the total income assessed ;

- (c) in any other case the difference between the tax on the total income assessed and the tax that would have been chargeable had such total income been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished.

For the purpose of penalty, the tax in the case of registered and unregistered firm treated as registered u/s 183(b) will be calculated as if it is an unregistered firm.

Note—As per Board circular No. 22D (LXY-25) of 1967 dated 16th December, 1967, the provision of section 271(1) (c) of the Act shall not be invoked, in case the assessed income does not exceed Rs. 10,000 other than company cases, and loss cases, and the addition in income is merely on account of estimate of profit or additions of cash credit.

(8) Failure to keep, maintain or retain books of accounts, documents etc. [s. 271A]

Under section 271A of the Income-tax Act, 1961, which has come into force on 1st April 1977, if any person, without reasonable cause, fails to keep and maintain any such books of accounts and other documents as required by section 44AA or the rules made thereunder, in respect of any previous year or to retain such books of accounts and other documents for the period specified in the said rules, the Income-tax Officer or the Appellate Assistant Commissioner may direct that such person shall pay, by way of penalty a sum which shall not be less than ten per cent. but which shall not exceed fifty per cent. of the amount of the tax, if any, which would have been avoided if the income returned by such person had been accepted as the correct income.

(9) Failure to give notice of discontinuance [s. 272] :

Where any person fails to give the notice of discontinuance of his business or profession as required by sub-section (3) of section 176, the Income-tax Officer may direct that a sum shall be recovered from him by way of penalty which shall not be less than ten per cent. of the tax but which shall not exceed the amount of tax subsequently assessed on him in respect of any income of the business or profession upto the date of its discontinuance.

(10) Penalty for failure to answer question, sign statements, allow inspections etc. [s. 272A]:

Section 272A which came into force on 1st April 1976, provides as under :—

- (1) if a person refuses to answer any question demanded from him by any income-tax authority as mentioned in clause (a) of section 272A(1) or to sign any statement made by him which such income-tax authority may legally require him to sign, he shall pay, by way of penalty a sum which may extend to one thousand rupees.
- (2) if a person, without reasonable cause or excuse fails;
 - (a) to furnish in due time any return or statements mentioned in sections 133, 206 285, 285B or 286; or
 - (b) to allow inspection of any registers referred to section 134 or to allow copies of such registers or of any entry, therein to be taken; or.
 - (c) to furnish a certificate as required by section 203, or
 - (d) to deduct and pay tax as required by sub-section (2) of section 226;

he shall pay, by way of penalty, a sum which may extend to ten rupees for every day during which the failure continues.

If a default has occurred in the course of any proceedings before the Commissioner or Appellate Assistant Commissioner, then the penalty will be levied by such authority, as the case may be, otherwise by the Inspecting Assistant Commissioner.

(11) Penalty for failure to apply for Permanent Account Number [S. 272B.]

Under section 272B which has come into force on 1st April 1976 if a person without reasonable cause, fails to apply for allotment of permanent account number in accordance with provisions of section 139 A read with rule 114, he shall on an order passed by the Income-tax Officer, pay, by way of penalty, a sum which may extend to five hundred rupees.

It is further provided that no penalty under this section shall be levied without providing him an opportunity of being heard in the matter.

(12) Penalty for furnishing of untrue statement of advance tax [S 273 (1) (a)]

If the income-tax Officer in the course of any proceedings in connection with the regular assessment for any assessment year, is satisfied that any assessee has furnished under clause (a) of sub-section 1 of section 209-A a statement of the advance tax payable by him which he knew or had reason to believe to be untrue, he may direct that such person shall in addition to the amount of tax if any payable by him, pay by way of penalty a sum which shall not be less than 10% but shall not exceed one and a half times the amount by which the tax actually paid during the financial year immediately preceding the assessment year falls short of—

- (i) 75% of the assessed tax as defined in sub-section (5) of Section 215; or
- (ii) The amount which would have been payable by way of advance tax if the assessee had furnished a correct and a complete statement in accordance with the provision of clause (a) of sub-section 1 of section 209-A whichever is less.

Note : The provisions of the above said paras were inserted by Finance Act, 1978 with effect from 1st June, 1978.

(13) Failure for furnishing an estimate of advance tax [S. 273(1)(b)]

If the income-tax Officer, in the course of any proceedings in connection with the regular assessment for any assessment year, is satisfied that any assessee has without reasonable cause failed to furnish a statement of advance tax payable by him in accordance with the provisions of clause (a) of sub-section 1 of section 209-A, he may direct that such person shall in addition to the amount of tax, if any payable by him, pay by way of penalty a sum which shall not be less than 10% but shall not exceed one and a half times of 75% of the assessed tax as defined in sub-section (5) of section 215.

Note : The provisions of the above said para was inserted by Finance Act. 1978 with effect from 1st June, 1978.

(14) Penalty for furnishing of untrue estimate [S. 273 (2) (a)] :

If the Income-tax Officer in the course of any proceedings in connection with the regular assessment, is satisfied that any assessee has furnished under sub-section (1) or sub-section 2 or sub-section 3 or sub-section 5 of section 209-A, or sub-section 1, or sub-section 2 or sub-section 3 of section 212 an estimate of the advance tax payable by him which he knew or had reason to believe to be untrue, he may direct that such person shall, in addition to the amount of tax, if any, payable by him pay by way of penalty a sum which shall not be less than ten per cent, but shall not exceed one and a half times the amount by which the tax actually paid during the financial year immediately preceding the assessment year falls short of—

- (i) 75% of assessed tax as defined in sub-section (5) of section 215; or
- (ii) where a notice under section 210 was issued to the assessee the amount payable thereunder or where the statement of advance tax was furnished under section 209-A (1) the amount payable thereunder as the case may be; whichever is less.

Note : With effect from 1st June 1978 for the italicized word or "sub-section 3 of section 212" the word of section 212 shall be substituted.

(15) Penalty for furnishing of untrue estimate under section 212 (3A) [S. 273 (2) (aa)].

If the Income-tax Officer, in the course of any proceeding in connection with the regular assessment, is satisfied that any assessee has furnished an estimate of higher advance tax payable by him under section 209-A (4), or 212 (3A), which he knew or had reason to believe to be untrue he may direct that such person shall in addition to the amount of tax, if any, payable by him pay by way of penalty a sum which shall not be less than ten per cent but shall not

exceed one and a half times the amount by which the tax actually paid during the financial year immediately preceding the assessment year falls short of 75% of the assessed tax as defined under section 215 (5) of the Income-tax Act, 1961. For the purpose the amount paid by the tax payer after the end of the relevant financial year but within the time extended by the Commissioner under the proviso to sub-section 3A of section 212, will be regarded as tax actually paid by the assessee during the financial year.

(16) Failure to furnish an estimate of advance tax [S. 273 (2)(b)]

If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment, is satisfied that any assessee has without reasonable cause failed to furnish an estimate of the advance tax payable by him in accordance with the provisions of *sub section (3) of section 212* he may direct that such person shall, in addition to the amount of tax, if any, payable by him, pay by way of penalty a sum which shall not be less than ten per cent, but shall not exceed one and a half times of the amount by which the tax actually paid during the financial year immediately preceding the assessment year falls short of seventy five per cent. of the assessed tax as defined in sub-section (5) of section 215.

Note : With effect from 1st June 1978 for the italicized word "sub-section 3 of sub-section 212" the word clause (b) of sub-section (1) of section 209A shall be substituted

(17) Failure to furnish higher estimate of advance tax [S. 273 (2)(c)]

If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment, is satisfied that any assessee has, without reasonable cause, failed to furnish an estimate of advance tax payable by him in accordance with the provisions of sub-section 4 of section 209A or sub-section (3A) of section 212, he may direct that such person shall, in addition to the amount of tax if any, payable by him, pay by way of penalty a sum which shall not be less than ten per cent, but shall not exceed one and a half times of the amount by which—

- (a) where the assessee has sent a statement under clause (a) or an estimate under clause (b) of sub-section (1) of section 209A or an estimate in lieu of a statement under sub-section (2) of that section, the tax payable in accordance with such statement or estimate; or
- (b) where the assessee was required to pay advance tax in accordance with the notice issued to under section 210, the tax payable under such notice falls short of seventy five per cent. of assessed tax as defined in sub-section (5) of section 215.

Waiver or reduction of penalty

A. Late submission of return u/s 139(1) [s. 273A] :

Under clause (1) of sub-section (1) of section 273A of the Act, the Commissioner may, in his discretion whether of his own or otherwise, reduce or waive the penalty imposed or imposable on a person u/s 271(1)(i) for failure, without reasonable cause, to furnish the return of total income which such person was required to furnish u/s 139(1), provided the assessee (1) has voluntarily and in good faith made a full and true disclosure of his income prior to the issue of notice to him under section 139(2), (2) has co-operated in any enquiry relating to the assessment of such income, and (3) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year. Under *Explanation* to sub-section(1) of section 273A, a person shall be deemed to have made full and true disclosure of his income or of the particulars relating thereto in any case if the provisions of section 271(1)(c) of the Act are not attracted in those years on him.

Under sub-section 2 of section 273A, where the penalty imposed or imposable for any assessment year, or in the case of voluntary disclosure relating to more than one assessment year, the aggregate penalty imposed or imposable for all the years covered by the disclosure for default in furnishing the return exceeds Rs. 50,000, the Commissioner can waive or reduce such minimum penalty only after obtaining the previous approval of the Board to such waiver or reduction. Under sub-section 3 of section 273A the relief shall be granted only once whether it relates to one or more assessment years.

B. Concealment of income [s. 273A]

Under clause (ii) of sub-section 1 of section 273A of the Act, the Commissioner may, in his discretion whether of his own or otherwise, reduce or waive the penalty imposed or imposable on a person under section 271(1)(iii) if he is satisfied that such person (1) has, prior to the detection by the Income-tax Officer, of the concealment of particulars of income or of the inaccuracy of particulars furnished in respect of such income, voluntarily and in good faith, made full and true disclosure of such particulars, (2) has co-operated in any enquiry relating to the assessment of such income, and (3) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act, in respect of the relevant assessment year. Under *Explanation* to sub-section(1) of section 273A, a person shall be deemed to have made full and true disclosure of his income or of the particulars relating thereto in any case if the provisions of section 271(1)(c) of the Act are not attracted in those years on him.

Under sub-section 2 of section 273A, the amount of income in respect of which penalty is imposed or imposable for the relevant assessment year, or where such disclosure relates to more than one assessment year, the aggregate amount of such income for those years, exceeds a sum of Rs. 5,00,000, the Commissioner can waive or reduce such penalty only after obtaining the previous approval of the Board to such waiver or reduction. Under sub-section 3 of section 273A the relief shall be granted only once whether it relates to one or more assessment years,

C. False estimate of, or failure to pay, advance tax [s. 273A]:

Under section 273A which has come into force on 1st October, 1975, the Commissioner may, in his discretion whether of his own or otherwise, reduce or waive the amount of penalty imposed or imposable u/s 273 of the Income-tax Act, if he is satisfied that such person (1) has voluntarily and in good faith made full and true disclosure of his income prior to the issue of the notice to him u/s 139 (2), or where no such notice has been issued and the period for the issue of such notice has expired, prior to the issue of the notice to him under section 148 and has paid the tax on the income so disclosed, (2) the assessee has co-operated in any enquiry relating to the assessment of his income, (3) the assessee has either paid or made satisfactory arrangements for the payment of income-tax or interest payable in consequence of an order passed under this Act in respect of relevant assessment year. Under sub-section 3 of section 273A a person shall be deemed to have made full and true disclosures of his income or of the particulars relating thereto in any case if the provisions of section 271(1)(c) of the Act are not attracted on him in those years.

Under sub-section 3 of section 273A where the minimum penalty imposed or imposable u/s 273 for the relevant assessment year or in case of voluntary disclosure relating to more than one assessment year, the aggregate of minimum penalty imposed or imposable for all the years covered by the disclosure for default u/s 273 exceeds a sum of Rs. 50,000, the Commissioner can waive or reduce the penalty only after obtaining the previous approval of the Board to such reduction or waiver.

D. Waiver or reduction of interest chargeable u/s 139(8), 215 and 217 [s. 273A]:

Under clause (iii) of sub-section 1 of section 273A the Commissioner may, in his discretion, whether on his own motion or otherwise, reduce or waive the amount of interest paid or payable under sub-section (8) of section 139 or section 215 or section 217, if he is satisfied that such person has prior to the issue of notice to him under sub-section (2) of section 139, or where no such notice has been issued and the period for the issue of such notice has expired, prior to the issue of notice under section 148, voluntarily and in good faith made full and true disclosure of his income and has paid the tax on the income so disclosed, (2) has co-operated in any enquiry relating to the assessment of income, and (3) has either paid or made satisfactory arrangements for the payment of income-tax or interest payable in consequence of an order passed under this Act in respect of those years. Under *Explanation* to sub-section (1) of section 273A of the Act, a person shall be deemed to have made full and true disclosures of his income if the provisions of section 271(1)(c) of the Act are not attracted on him for those years.

It is also provided in sub-section 3 of section 273A that the relief shall be granted only once whether it relates to one or more assessment years.

Bar of limitation for imposing penalties [s. 275]:

No order imposing a penalty under chapter xx*i* of the Income-tax Act, 1961 shall be passed—

- (a) in a case where the relevant assessment or other order is the subject matter of an appeal to the Appellate Assistant Commissioner under section 246 or an appeal to the Appellate Tribunal under sub-section (2) of section 253, after the expiration of a period of,
 - (i) two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed; or
 - (ii) six month from the end of the month in which the order of the Appellate Assistant Commissioner, or, as the case may be, the Appellate Tribunal is received by the Commissioner, whichever period expires later;
- (b) in any other case, after the expiration of two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed.

Explanation—In computing the period of limitation for the purposes of this section,—

- (i) the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 129;
- (ii) any period during which the immunity granted under section 245H remained in force; and
- (iii) any period during which a proceeding under the Chapter for the levy of penalty is stayed by an order or injunction of any court;

shall be excluded.

PROSECUTIONS

Prosecution to be at the instance of Commissioner [s. 279]:

Prosecution is instituted at the instance of the Commissioner of Income-tax by filing a written complaint before a magistrate having jurisdiction over the place where the offence was committed: the law which is in force at the time of commission of the Act shall apply. If a false statement in verification in the return of income for the assessment year 1963-64 is made on 27.2.64, the law which was in force on 27.2.64 shall be applicable and not the law which was amended with effect from 1.4.64. It is within the competence of the Commissioner of Income-tax to compound the offence as well as to withdraw the complaint. In case the penalty has been reduced or waived under section 271(4A) or section 273A then no prosecution shall be launched.

Contravention of order made under sub-section (3) of section 132 [s. 275A] :

Whoever contravenes any order referred to in sub-section (3) of section 132 shall be punishable with rigorous imprisonment which may extend to two years and shall also be liable to fine.

(1) Failure to comply with the provisions of sub-sections (1) and (3) of section 178 [s. 276A]:

If a person, without reasonable cause or excuse,—

- (i) fails to give the notice in accordance with sub-section (1) of section 178; or
- (ii) fails to set aside the amount as required by sub-section (3) of section 178; or
- (iii) parts with any of the assets of the company or the properties in his hands in contravention of the provisions of the aforesaid sub-section, he shall be punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgement of the court such imprisonment shall not be for less than six months.

(2) Failure to deduct or pay tax [s. 276B] :

If a person, without reasonable cause or excuse, fails to deduct or after deducting fails to pay the tax as required by or under the provisions of sub-section (9) of section 80E or Chapter XVII-B, he shall be punishable—

- (i) in a case where the amount of tax which he has failed to deduct or pay exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;
- (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

(3) Wilful attempt to evade tax, etc [s. 276C] :

- (1) If a person wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable—

- (i) in a case where the amount sought to be evaded exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;
- (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine;

- (2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine.

Explanation: For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

- (i) has in his possession or control any books of account or other documents relevant to any proceeding under this Act, containing a false entry or statement; or
- (ii) makes or causes to be made any false entry or statement in such books of account or other documents; or
- (iii) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or
- (iv) causes any other circumstances to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

(4) Failure to furnish returns of income [s. 276CC] :

If a person wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (1) of section 139 or by notice given under sub-section (2) of section 139 or section 148, he shall be punishable—

- (i) in a case where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine,
- (ii) in any other case with imprisonment for a term which shall not be less than three months but which may extend to three years and with fine :

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (1) of section 139—

- (i) for any assessment year commencing prior to the 1st day of April, 1975;
- (ii) for any assessment year commencing on or after the 1st day of April, 1975, if—
 - (a) the return is furnished by him before the expiry of the assessment year; or
 - (b) the tax payable by him on the total income determined on regular assessment, as reduced by the advance tax, if any, paid and any tax deducted at source, does not exceed three thousand rupees.

(5) Failure to produce accounts and documents [s. 276D]:

If a person wilfully fails to produce, or cause to be produced, on or before the date specified in any notice served on him under sub-section (1) of section 142, such accounts and documents as are referred to in the notice, or wilfully fails to comply with a direction issued to him under sub-section (2A) of that section he shall be punishable with rigorous imprisonment for a term which may extend to one year or with fine equal to a sum calculated at a rate which shall not be less than four rupees or more than ten rupees for every day during which the default continues, or with both.

(6) False statement in declaration [s. 277] :

If a person makes a statement in any verification under this Act, or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true he shall be punishable,

- (i) in a case where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;
- (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

(7) Abetment of false return [s. 278] :

If a person abets or induces in any manner another person to make and deliver an account or a statement or declaration relating to any income chargeable to tax which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 276C, he shall be punishable,

- (i) in a case where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;
- (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.

(8) Punishment for second and subsequent offences [s. 278A] :

If any person convicted of an offence under section 276B or sub-section (1) of section 276C or section 276CC or section 277 or section 278 is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and for every subsequent offence with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

(9) Disclosure of particulars by public servants [s. 280] :

If a public servant furnishes any information or produces any document in contravention of the provision of sub-section (2) of section 138, he shall be punishable with imprisonment which may extend to six months, and shall also be liable to fine.

No prosecution shall be instituted under this section except with the previous sanction of the Central Government.

INTEREST PAYABLE FOR THE LAST EIGHT YEARS

NATURE OF DEFAULT	Rate of interest per annum		
	from 1-4-66 to 30-9-67	from 1-10-67 to 31-3-72	from 1-4-72 & onwards
A. INTEREST PAYABLE BY ASSESSEES			
(a) In case of delay or failure in furnishing the return of income [s. 139]	6%	9%	12%
(1) The specified date for furnishing the return of income as under :			
Upto assessment year 1971-72	Assessment year 1972-73 and onwards		
(a) where the assessee has no income from business or profession.	30th day of June of assessment year.	30th day of June of assessment year.	
(b) where the total income of the assessee includes income from business or profession.	within six months of the close of accounting year or 30th June, whichever is later.	within four months of the close of accounting year or 30th June, whichever is later.	
(2) If there is any delay in or failure in furnishing the return, the interest shall be chargeable as under—			
(i) Assessment upto the assessment year 1971-72 :			
—as calculated from the date immediately following the expiry of three months from the specified date to the date filing the return or, where no return was furnished, to the date of completion of regular assessment.			
(ii) Assessment for the assessment year 1972-73 and subsequent years:			
—as calculated from the expiry of the specified date to the date of filing the return or, where no return is filed, to the date of completion of the regular assessment.			
(3) The interest in the case of registered firm or an unregistered firm assessed as registered under section 183 (b) is to be calculated on the amount of tax that would have been leviable on an unregistered firm.			
(b) In case of failure to deduct tax at source or pay [s. 201 (1A)]	6%	9%	12%
In case any person, who is required to deduct tax at source under the Act, does not deduct or after deduction fails to pay such tax he shall be liable to pay interest from the date on which tax was deductible to the date of actual payment.			
(c) In case the advance tax paid u/s 209A or section 212 as per assessee's own estimate is less than 75% of the assessed tax [s. 215]	6%	9%	12%
(i) Upto the assessment year 1969-70 :			
—as calculated on the difference between 75% of the assessed tax and the advance tax actually paid.			
(ii) for the assessment year 1970-71 : and there after			
—as calculated on the difference between the assessed tax and the advance tax actually paid.			
(d) In case of under-estimation of advance tax u/s 209A or section 212 or wrongful deferment of payment of advance tax u/s 213 [s. 216]	6%	9%	12%
(i) in the case of under-estimation, for the period during which the payment was deficient, on the difference between the amount paid in each instalment and the amount which should have been paid, having regard to the aggregate advance tax actually paid during the year ; and			
(ii) In the case of wrongful deferment, for the period during which the payment of advance tax was so deferred.			
(e) In case of failure to make voluntarily an estimate of advance tax or statement of advance tax [s. 217]	6%	9%	12%
Interest is chargeable from the 1st day of April next following the financial year in which the advance tax was payable upto the date of regular assessment.			

NATURE OF DEFAULT	Rate of interest per annum		
	from 1-4-66 to 30-9-67	from 1-10-67 to 31-3-72	from 1-4-72 & onwards
(i) Assessments Upto the assessment year 1969-70 : —as calculated upon the amount equal to the 75% of the assessed tax as referred to in section 215 (1) (ii) Assessments for the assessment year 1970-71 and subsequent years : (1) In the case of any person as is referred to in <i>section 209A (1)(b) or section 212 (3)</i> who has not previously been assessed by a regular assessment as calculated upon the amount equal to the assessed tax as defined in section 215 (5) (2) in the case of any assessee as is referred to in <i>section 209A (4) or 212(3A)</i> who is required to pay advance tax by an order u/s 210, as calculated upon the amount by which the advance tax paid by him falls short of the assessed tax as defined in section 215 (5) (3) in the case of an assessee as in referred to under section 209A (1) (a) or 209 A (2) who, has not sent the statement of advance tax, or estimate in lieu of statement of advance tax, as calculated upon the amount equal to the amount of assessed tax as defined in section 215 (5) (4) Where, before the completion of the regular assessment, assessee has paid any tax by way of self-assessment under section 140A or otherwise, the interest will be charged from the 1st April of the relevant assessment year upto the date on which self assessment tax or any other tax is paid before the regular assessment, and from the date of such payment to the date of regular assessment.	—	—	12%
(f) In case of delayed payment of tax other than advance tax [s. 220 (2)] (i) A tax demand is payable within 35 days of the service of the notice of demand. (ii) Interest is chargeable from the date of expiry of the time specified in the notice of demand. (iii) In case of permitted delayed payment or payment in instalments (subject to the payment of interest in all cases), the assessee shall be treated as in default of the entire amount outstanding if he defaults in payment of any of the instalments. Note : Italicized word in the above said paras have been inserted with effect from 1st June, 1978.	6%	9%	12%
B. INTEREST PAYABLE TO ASSESSEES (a) In case of excess payment of advance tax [s. 214] (i) Assessments for the assessment years 1966-67 to 1973-74 : —as calculated on the amount by which the aggregate sum of any instalments of advance tax paid during any financial year in which they are payable under section 207 to 213 exceeds the amount of the tax determined on regular assessment, from the 1st day of April next following the said financial year to the date of the regular assessment. (ii) Additional provisions applicable for the assessment year 1968-69 and subsequent years. —in respect of excess payment of advance tax as determined on the basis of provisional assessment under section 141-A, interest shall be payable from the 1st day of April next following the said financial year to the date such provisional assessment but no interest will be allowed after that date till the completion of regular assessment. Further, if, on completion of the regular assessment, the amount on which the interest was allowed on provisional assessment made under section 141A has been reduced, the interest already allowed shall be reduced accordingly and the excess interest paid, if any, shall be deemed to be the tax payable by the assessee.	6%	9%	12%
(b) In case of delayed refunds [s. 243 & 244] The interest is payable from the date following the expiry of specified time to the date on which the refund is granted.	6%	9%	12%

NATURE OF DEFAULT			Rate of interest per annum		
			from 1-4-66 to 30-9-67	from 1-10-67 to 31-3-72	from 1-4-72 onwards
<i>Nature of refund</i>	<i>Refund claims made prior to 1.4.71 and refunds arising on assessment completed or out of orders in appeal, revision, or other proceedings passed prior to 1.4.71.</i>	<i>Refund claims made on 1.4.71 or after and refunds arising on assessment completed or out of orders in appeal revision, or other proceedings passed on or after 1.4.71.</i>			
(i) where total income consists solely of interest on securities or dividends or both	within 6 months from the date on which the claim for refund is made	within 3 months from the end of the month in which the claim for refund is made			
(ii) where refunds arise on regular assessment (total income not consisting solely of income from interest on securities or dividends)	within 3 months from the date on which the total income is determined by way of assessment	within 3 months from the end of the month in which the total income is determined by way of assessment			
(iii) where refunds arise out of any order passed in appeal, revision or any other proceedings	within 6 months from the date of order in appeal, revision or other proceeding	within 3 months from the end of the month in which the order in appeal, revision or other proceeding is passed of taxes/penalties but in cases where payments are made after 31.3.75 then from the date of payment to the date on which the refund is granted after excluding a period of one month.			
(iv) where a refund arises from any order is withheld under section 241 on the ground that such order is the subject matter of appeal or further proceeding and the grant of refund is likely to adversely affect the revenue	within 6 months from the date of the order referred to in section 241	within 3 months from the end of the month in which the order referred to in section 241 is passed.			

Waiver or reduction of interest chargeable under section 215 or section 217

Under rule 40 of the Income-tax Rules, 1962, the Income-tax Officer has the power to reduce or waive the amount of interest payable in the cases and under the circumstances mentioned below, namely :—

1. when the relevant assessment is completed more than one year after the submission of the return, the delay in assessment not being attributable to the assessee;
2. where a person is under section 163 treated as an agent of another person and is assessed upon the later's income;
3. where the assessee has income from an unregistered firm assessed as registered firm under section 183(b);
4. where the previous year is the financial year or any year ending about the close of the financial year and large profits are made after the 1st March (or the 15th March in cases where the proviso to section 211 applies), in circumstances which could not be foreseen;
5. any case in which the Inspecting Assistant Commissioner considers that the circumstances are such that a reduction or waiver of the interest payable under section 215 or section 217 is justified.

Under section 273A of the Act, the Commissioner may, in his discretion, whether on his own motion or otherwise, reduce or waive the amount of interest payable under section 215 or section 217, if he is satisfied that such person—

- (i) has, prior to the issue of a notice to him under section 139(2), or where no such notice has been issued and the period for the issue of such notice has expired, prior to the issue of notice to him under section 148, voluntarily and in good faith made full and true disclosure of his income and has paid the tax on the income so disclosed, and
- (ii) has co-operated in any enquiry relating to the assessment of his income and has either paid or made satisfactory arrangements for the payment of any tax or interest payable in consequence of an order passed under the Act in respect of the relevant assessment year.

Note—1. A person shall be deemed to have made full and true disclosure of his income or of the particulars relating thereto, if the provisions of section 271(1)(c) of the Act are not applicable on him for that year.

- 2. The relief provided in section 273A shall be available only once whether it relates to one or more assessment years.

Waiver or reduction of Interest chargeable under section 139(8)

Under rule 117A of the Income-tax Rules, 1962, the Income-tax Officer has the power to reduce or waive the interest payable under section 139 in the cases and in the circumstances mentioned below namely :—

- (i) where the return of income is furnished by a person who has been treated under section 163 as an agent of a non-resident and is assessed in respect of the latter's income;
- (ii) where the return of income is furnished by an assessee whose only source of income during the relevant previous year is a share in the income of an unregistered firm which has been assessed on its total income in respect of that previous year under clause (b) of section 183;
- (iii) where the return of income of a deceased individual is furnished by his legal representative and the legal representative satisfies the income-tax Officer that he had sufficient cause for not furnishing such return within time;
- (iv) where the return of income has been furnished in pursuance of a notice issued under section 148;
- (v) in any case in which the assessee produces evidence to the satisfaction of the Income-tax Officer that he was prevented by sufficient cause from furnishing the return within time :

Provided that the previous approval of the Inspecting Assistant Commissioner has been obtained where the amount of interest reduced or waived, as the case may be, under clause (iv) or clause (v) exceeds one thousand rupees.

Under section 273A of the Act, the Commissioner may, in his discretion, whether on his own motion or otherwise, reduce or waive the amount of interest payable under section 139(8), if he is satisfied that such person—

- (i) has, prior to the issue of a notice to him under section 139(2), or where no such notice has been issued and the period for the issue of such notice has expired, prior to the issue of notice to him under section, 148, voluntarily and in good faith made full and true disclosure of his income and has paid the tax on the income so disclosed, and
- (ii) has co-operated in any enquiry relating to the assessment of his income, and
- (iii) has either paid or made satisfactory arrangements for the payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year.

Note—1. A person shall be deemed to have made full and true disclosure of his income or of the particulars relating thereto if the provisions of section 271(1)(c) of the Act are not applicable on him for that year.

- 2. The relief provided in section 273A shall be available only once whether it relates to one or more assessment years.

Procedure to be followed in calculating interest [Rule 119A]

In calculating the interest payable by the assessee or the interest payable by the Central Government to the assessee under any provision of the Act,—

- (a) the period for which such interest is to be calculated shall be rounded off to a whole month or months and for this purpose any fraction of a month shall be ignored; and the period so rounded off shall be deemed to be the period in respect of which the interest is to be calculated;
- (b) the amount of tax, penalty or other sum in respect of which such interest is to be calculated shall be rounded off to the nearest multiple of one hundred rupees and for this purpose any fraction of one hundred rupees shall be ignored; and the amount so rounded off shall be deemed to be the amount in respect of which the interest is to be calculated.

DEDUCTION OF TAX AT SOURCE

Part B chapter XVII of Income-tax Act, 1961 deals with deduction of tax at source. Under section 192 to 206 A the tax is to be deducted at source on the following income.

Salaries [S. 192];

Any person responsible for paying any income chargeable under the head "salaries" shall, at the time of payment, deduct income-tax on the amount payable at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made, on the estimated income of the assessee from salary for that financial year. For the financial year 1978-79 the income-tax is to be computed and deducted at the rate or rates specified in part II of first Schedule to the Finance Act, 1978. Tables are given in the chapter "*Income from salaries*" for the monthly deduction of tax from salaries.

The person responsible for making the payment of salary may at the time of making any deduction, increase or reduce the amount to be deducted under this section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct during the financial year.

The employer's liability to deduct tax is absolute and is not effected by any private arrangement whereby the employee has been undertaken to discharge his own tax liability.

Section 40 (a) (iii) and section 58 (1) (a) (iii) disentitle the employer in certain cases to any allowance on account of salaries, if he fails to deduct tax at source from salaries.

Interest on Securities [S. 193];

The person responsible for paying any income chargeable under the head "Interest on securities" shall at the time of payment, deduct income-tax at the rates in force on the amount of the interest payable :

Provided that no tax shall be deducted from any interest payable on—

- (i) 4.25 % National Defence Bonds, 1972, where the bonds are held by a resident individuals; or
- (ia) 4.25% National Defence Loan, 1968 or 4.75% National Defence Loan, 1972; or
- (ib) National Development Bonds;
- (ii) National Saving Certificates (I issue); or
- (iia) 7 year National Saving Certificates (IV issue); or
- (iib) debentures issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority as the Central Government may, by notification in the Official Gazette, specify in this behalf; or
- (iii) 6.50% Gold Bonds, 1977, or 7% Gold Bonds, 1980 held by a resident individual if such individual makes a declaration in writing that the total nominal value of the above bonds held by him including such bonds if any held on his behalf by any other person did not in either case exceed Rs. 10,000, at any time during the period to which the interest relates.
- (iv) any other security or the Central or State Government held by a resident individual and the holder thereof makes a declaration in writing before the person responsible for paying the interest that :
 - (a) he has not previously been assessed under this Act or under the Indian income-tax Act, 1922;
 - (b) his total income of the previous year in which the interest is due is not likely to exceed the maximum amount not chargeable to tax; and
 - (c) the total nominal value of the securities held by him (including such securities, if any; as are held on his behalf by any other person) did not exceed Rs. 2,500 at any time during the said previous year.

Dividends [S. 194];

The principal officer of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (*including dividends on preference*

shares) within India, shall, before making any payment or distribution of dividend deduct from the amount of such dividend, income tax at the rates in force. But where in the cases of any shareholder not being a company, the income tax officer given a certificate in writing in the prescribed manner that to the best of his belief the total income of such shareholder will be less than the minimum liable to income-tax, the person responsible for paying any dividends shall pay the dividend without deduction of tax at source, so long as the certificate is in force.

The Finance (No. 2) Act 1977 has inserted a new proviso in section 194 herein after mentioned, which has come in to effect from 1st october, 1977. Under the new proviso, no deduction of tax at source shall be made from dividends paid to any shareholder not being the Company, if the shareholder is resident in India; the amount of such dividend does not exceed Rs. 250/- and the shareholder furnishes to the person responsible for paying the dividend, a statement in writing in Form No. 14B declaring that estimated total income of the previous year in which such dividend is to be included under the provision of section 8, will be less than the minimum liable to tax.

Interest other than interest on securities [S. 194-A];

Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any income by way of interest other than income chargeable under the head "Interest on securities" shall deduct income-tax at the rates in force at the time of credit of such income to the account of payer or at the time of payment thereof in cash or by issue of cheque or by any other mode, whichever is earlier ;

Provided that no such deduction shall be made in a case where the recipient not being a company or registered firm, has furnished an affidavit or statement in writing in the prescribed manner declaring that his total income during the year in which the income is credited or paid will be less than the minimum liable to income-tax.

Person qualified to attest the statement : The statement in writing containing the particulars as prescribed in Rule 29A of the income-tax Rule, 1962 (*i. e. Form No. 15A*) be verified in prescribed manner and be signed in the presence of—

- (a) a Member of Parliament or State legislature ; or
- (b) a Member of District Council or a Metropolitan Council, a Municipal Corporation or Municipal Committee ; or
- (c) a Gazetted Officer of the Central or a State Government ; or
- (d) an Officer of any banking company (including a co-operative bank) of the rank of sub-agent, agent or manager;

and bear an attestation by such member or officer to the effect that the person who has signed the statement is known to him.

*Exemptions :—*The provisions of this section shall not apply,

- (i) where the amount of such income credited or paid or likely to be credited or paid during the financial year does not exceed Rs. 1,000;
- (ii) to such income credited or paid before the 1st day of October 1967;
- (iii) to such income credited or paid to—
 - (a) any banking company to which the Banking Regulation Act, 1949 applies or any co-operative society engaged in carrying on the business of banking (*including a co-operative land mortgage bank*), or
 - (b) any financial corporation established by or under a Central, State or Provincial Act, or
 - (c) the life Insurance Corporation of India established under the Life Insurance Corporation of India Act, 1956; or
 - (d) the Unit Trust of India established under the Unit Trust of India Act, 1963. or
 - (e) any company or co-operative society carrying on the business of insurance ; or

(f) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing notify in this behalf in the Official Gazette.

- (iv) to such income credited or paid by a firm to partner of the firm ;
- (v) to such income credited or paid by co-operative society to a member thereof or to any other co-operative society;
- (vi) to such income credited or paid in respect of deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette ;
- (vii) to such income credited or paid in respect of deposits with a banking company to which the Banking Regulation Act, 1949 applies (*including any bank or banking institution referred to in section 51 of that Act*); or with a co-operative society engaged in carrying on the business of banking (*including a co-operative land mortgage bank or a co-operative land development bank*),
- (viii) to such income credited or paid by the Central Government under any provision of this Act, or the Indian Income-tax Act, 1922 or the Estate duty Act, 1953 or the Wealth-tax Act, 1957, or the Gift-tax Act, 1958 or, the Super Profits Tax Act, 1963, or the Companies (Profits) Sur Tax Act, 1964, or the Interest Tax Act, 1974.

Winning from lottery or crossword puzzle [S. 194-B]:

The person responsible for paying any income by way of winnings from any lottery or crossword puzzle in an amount exceeding one thousand rupees shall, at the time of payment thereof, deduct income-tax thereon at the rates in force :

Provided that no deduction shall be made under this section from any payment made before the 1st day of June, 1972.

Winnings from horse race [S. 194 BB] :

Any person, being a book-maker or a person to whom a licence has been granted by the Government under any law for the time being in force for horse racing in any race course or for arranging for wagering or betting in any race course, who is responsible for paying to any person any income by way of winnings from any horse race in an amount exceeding two thousand five hundred rupees shall, at the time of payment thereof, deduct income-tax thereon at the rates in force:

Provided that no deduction shall be made under this section from any payment made before the 1st day of June, 1978",

Payment to the contractors and sub-contractors [S. 194-C] :

Any person responsible for paying any sum to any resident (*hereinafter referred to as the contractor*) for carrying out any work (*including supply of labour for carrying out any work*) in pursuance of a contract between the contractor and—

- (a) the Central Government or any State Government; or
- (b) any local authority; or
- (c) any corporation established by or under a Central, State or Provincial Act; or
- (d) any company; or
- (e) any co-operative society,

shall at the time of credit of such sum to the account of contractor or at the time of payment thereof in cash or by issue of cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to two per cent. of such sum as income-tax on income comprised therein.

Likewise, every contractor, other than an individual or a Hindu undivided family, responsible for paying any sum to any sub-contractor (*who is resident in India*) in pursuance of a contract with such sub-contractor for carrying out, or for the supply of labour for carrying out, the whole or any part of the work undertaken by the contractor or supplying, whether wholly or partly, any labour which the contractor has undertaken to supply, shall at the time of credit of

such sum or at the time of payment thereof in cash or by issue of cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent. or such sum as income-tax on income comprised therein.

Exemptions : The provisions of the above section shall not apply in the following cases :—

- (i) where any sum credited or paid in pursuance of any contract the consideration for which does not exceed five thousand rupees; or
- (ii) where any sum was credited or paid before the 1st day of June, 1972; or
- (iii) where any sum was credited or paid before the 1st day of June, 1973, in pursuance of contract between the contractor and co-operative society or in pursuance of a contract between such contractor and the sub-contractor in relation to any work (including supply of labour for carrying out any work undertaken by the contractor for the co-operative society, or
- (iv) where the Income-tax Officer is satisfied that the total income of the contractor or the sub-contractor justifies the deduction of income-tax at any lower rate or, no deduction of income-tax as the case may be, the Income-tax Officer shall, on an application made by contractor or sub-contractor in this behalf, give to him such certificate as may be appropriate. When any such certificate is given, the person responsible for making the payment shall, until such certificate is cancelled deduct income-tax at the rate specified in the certificate or deduct no tax, as the case may be.

Insurance commission [S. 194-d]:

Any person responsible for paying to a resident any income by way of remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (*including business relating to the continuance, renewal or revival of policies of insurance*) shall at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by cash or by issue of a cheque, draft or by any other mode, whichever is earlier, deduct income-tax thereon at rates in force ;

Provided that no deduction shall be made under this section from any such income credited or paid before the 1st day of June, 1973.

Other sum [S. 195] :

(i) Any person responsible for paying to a non-resident, not being a company, or to a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declarations and payments of dividends within India, any interest not being interest on securities or any other sum not being dividends chargeable under the provisions of this Act, shall, at the time of payment, unless he is liable to pay any income-tax thereon as an agent, deduct income tax thereon at the rates in force.

(ii) Where the person responsible for paying any such sum chargeable under this Act, (*other than interest including interest on securities, dividend and salary*) to a non resident considers that the whole of such sum would not be income chargeable in the case of recipient he may make an application to the income-tax Officer to determine by general or special order, the appropriate proportion of such sum so chargeable to income-tax and upon such determination tax shall be deducted accordingly.

(iii) Any person entitled to receive any interest or other sum on which income-tax has to be deducted may make an application to the income-tax Officer for the grant of a certificate authorising him to receive payment by way of interest (*other than interest on securities*) or any other sum (*not being dividend*) which is chargeable to tax, without deduction of tax at source. Such application may be made in the cases and under the circumstances to be specified in the Income-tax Rules by the C.B.D.T.

Interest or dividend or other sums payable to Government, Reserve Bank or certain corporations [S. 196]:

No deduction of tax at source as provided in sections 192, 193, 194, 194A, 194B, 194D, or 195 shall be made by any person from any sum payable to—

- (i) the Government, or
- (ii) the Reserve Bank of India, or
- (iii) a corporation established, by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.

where such sum is payable to it by way of interest or dividend, in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

Certificate for deduction at lower rates [S. 197] :

Where, in the case of any person other than a company, income-tax is required to be deducted at the time of credit or, as the case may be, at the time of payment at the rates in force under the provisions of sections 192, 193, 194A, 194B, 194D, and 195, and in the case of a non-resident, income-tax is required to be deducted at the time of payment at the rates in force under the provisions of section 194, the Income-tax Officer is satisfied that the total income of the recipient justifies the deduction of income-tax at any lower rates or no deduction of income-tax, as the case may be, the Income-tax Officer shall, on an application made by the assessee in this behalf, give to him such certificate as may be appropriate.

Where the principal officer of a company considers that by reason of the provisions of section 80K, the whole or any portion of the dividend referred to in section 194 will be deductible in computing the total income of the recipient, he may, before paying the dividend to the shareholder or issuing any cheque or warrant in respect thereof, make an application to the Income-tax Officer to determine the appropriate proportion of the dividend to be deducted under the provisions of sec. 80K; and on such determination by the Income-tax Officer no tax shall be deducted on such proportionate amount.

Time and Mode of Payment to Govt. Account of Tax Deducted at Source

Under Rule 30 of the Income-tax Rules, 1962, all sums deducted in accordance with the provisions of sections, 192, 193, 194, 194A, 194-B, 194-C, 194-D and 195 shall be paid to the credit of the Central Government—

- (a) in the case of deduction by or on behalf of the Government, on the same day.
- (b) in all other cases—
 - (i) in respect of sums deducted in accordance with the provisions of section 194A and section 194C
 - (1) where the income by way of interest referred to in section 194A or the sum referred to in section 194C is credited by a person carrying on a business or profession to the account of the payee as on the date upto which the accounts of such business or profession are made, within two months of the expiration of the month in which that date falls;
 - (2) in any other case, within one week from the last day of the month in which the deduction is made; and
 - (ii) in respect of sums deducted in accordance with the other provisions within one week from the date of such deduction or the date of receipt of the challan by the person making the deduction, as the case may be :

PROVIDED that the Income-tax Officer may, in special cases, and with approval of the Inspecting Asstt. Commissioner,

- (a) in case falling under (i), permit any person to pay the income-tax deducted from any income by way of interest, other than income chargeable under the head "*Interest on securities*" quarterly on July 15th, October 15, January 15 and April 15th, and
- (b) in case falling under clause (ii), permit an employee to pay income-tax deducted from any income chargeable under the head "*salaries*" quarterly on June 15th, September 15th, December 15th and March 15th.

PART II

Rate for deduction of tax at source in certain cases

In every cases in which under the provisions of sections 193, 194, 194A, 194B, 194D and 195 of the Income-tax Act; tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates:—

	Income-tax	
	Rate of income-tax	Rate of surcharge
In the case of a person other than a company—		
(a) where the person is resident in india--		
(i) on income by way of interest other than "Interest on securities"	10 per cent.	Nil ;
(ii) on income by way of winnings from lotteries and crossword puzzles	30 per cent.	4.5 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.	4.5 per cent.;
(iv) on income by way of insurance commission	10 per cent.	Nil;
(v) on any other income (excluding interest payable on a tax-free security)	20 per cent.	3 per cent.;
(b) where the person is not resident in india		
(i) on the whole income (excluding interest payable on tax-free security)	income-tax at 30 per cent. and surcharge at 4.5 per cent. of the amount of the income.	
	or	
	income-tax and surcharge on income-tax in respect of the income at the rates prescribed in sub-paragraph A of part III of this Schedule, if such income had been the total income.	
	whichever is higher;	
(ii) on income by way of interest payable on a tax-free security	15 per cent.	2.25 per cent.
2. In the case of a company—		
(a) Where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities"	20 per cent.	1 per cent.;
(ii) on any other income (excluding interest payable on a tax-free security)	22 per cent.	1 per cent.;
(b) where the company is not a domestic company—		
(i) on income by way of dividends payable by any domestic company	25 per cent.	Nil;

	Income-tax	
	Rate of Income-tax	Rate of surcharge
(ii) on income by way of royalty payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copy right of any book on a subject referred to in the proviso to sub-section (1A) of section 115A of the Income-tax Act. to the Indian concern.	40 per cent.	Nil;
(iii) on income by way of royalty [not being royalty of the nature referred to in sub-item b (ii)] payable by an Indian concern in pursuance of an agreement made by it with the Indian concern and which has been approved by the Central Government—		
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976.	50 per cent.	2.5 per cent.;
(B) where the agreement is made after the 31st March, 1976—		
(1) on so much of the amount of such income as consists of lump sum consideration for the transfer outside India of, or the imparting of information outside India in respect of, any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, or trade mark or similar property,	20 per cent.	Nil;
(2) on the balance, if any, of such income	40 per cent	Nil;
(iv) on income by way of fees for technical services payable by an Indian concern in pursuance of an agreement made by it with the Indian concern and which has been approved by the Central Government—		
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.	2.5 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	40 per cent.	Nil;
(v) on income by way of interest payable on a tax-free security	44 per cent.	2.2 per cent.;
(vi) on any other income	70 per cent.	3.5 per cent.;

DEDUCTION OF TAX AT SOURCE FROM DIVIDENDS

Table showing the income-tax to be deducted at source by a company before the dividends are paid to a share-holder in accordance with the provisions of section 194 of the Income-tax Act, 1961.

Gross dividend	When paid to a person other than a company, and where such person is a resident						Gross dividend	When paid to a person other than a company, and where such person is a resident						When paid to a domestic company					
	I. T. at source @ 20%		Sur-charge @ 3%		Total deduction at source			I. T. at source @ 22%		Sur-charge @ 1%		Total deduction at source		I. T. at source @ 22%		Sur-charge @ 1%		Total deduction at source	
	Rs.	P.	Rs.	P.	Rs.	P.		Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
1	0.20		0.03		0.23		100	20.00		3.00		23.00		22.00		1.00		23.00	
2	0.40		0.06		0.46		200	40.00		6.00		46.00		44.00		2.00		46.00	
3	0.60		0.09		0.69		300	60.00		9.00		69.00		66.00		3.00		69.00	
4	0.80		0.12		0.92		400	80.00		12.00		92.00		88.00		4.00		92.00	
5	1.00		0.15		1.15		500	100.00		15.00		115.00		110.00		5.00		115.00	
6	1.20		0.18		1.38		600	120.00		18.00		138.00		132.00		6.00		138.00	
7	1.40		0.21		1.61		700	140.00		21.00		161.00		154.00		7.00		161.00	
8	1.60		0.24		1.84		800	160.00		24.00		184.00		176.00		8.00		184.00	
9	1.80		0.27		2.07		900	180.00		27.00		207.00		198.00		9.00		207.00	
10	2.00		0.30		2.30		1000	200.00		30.00		230.00		220.00		10.00		230.00	
20	4.00		0.60		4.60		1100	220.00		33.00		253.00		242.00		11.00		253.00	
30	6.00		0.90		6.90		1200	240.00		36.00		276.00		264.00		12.00		276.00	
40	8.00		1.20		9.20		1300	260.00		39.00		299.00		282.00		13.00		299.00	
50	10.00		1.50		11.50		1400	280.00		42.00		322.00		308.00		14.00		322.00	
60	12.00		1.80		13.80		1500	300.00		45.00		345.00		330.00		15.00		345.00	
70	14.00		2.10		16.10		1600	320.00		48.00		368.00		352.00		16.00		368.00	
80	16.00		2.40		18.40		1700	340.00		51.00		391.00		374.00		17.00		391.00	
90	18.00		2.70		20.70		1800	360.00		54.00		414.00		396.00		18.00		414.00	
100	20.00		3.00		23.00		1900	380.00		57.00		437.00		418.00		19.00		437.00	
1000	200		30		230		46000	9200		1380		10580		10120		460		10580	
2000	400		60		460		48000	9600		1440		11040		10560		480		11040	
3000	600		90		690		50000	10000		1500		11500		11000		500		11500	
4000	800		120		920		52000	10400		1560		11960		11440		520		11960	
5000	1000		150		1150		54000	10800		1620		12420		11880		540		12420	
6000	1200		180		1380		56000	11200		1680		12880		12320		560		12880	
7000	1400		210		1610		58000	11600		1740		13340		12760		580		13340	
8000	1600		240		1840		60000	12000		1800		13800		13200		600		13800	
9000	1800		270		2070		62000	12400		1860		14260		13640		620		14260	
10000	2000		300		2300		64000	12800		1920		14720		14080		640		14720	
12000	2400		360		2760		66000	13200		1980		15180		14520		660		15180	
14000	2800		420		3220		68000	13600		2040		15640		14960		680		15640	
16000	3200		480		3680		70000	14000		2100		16100		15400		700		16100	
18000	3600		540		4140		72000	14400		2160		16560		15840		720		16560	
20000	4000		600		4600		74000	14800		2220		17020		16280		740		17020	
22000	4400		660		5060		76000	15200		2280		17480		16720		760		17480	
24000	4800		720		5520		78000	15600		2340		17940		17160		780		17940	
26000	5200		780		5980		80000	16000		2400		18400		17600		800		18400	
28000	5600		840		6440		82000	16400		2460		18860		18040		820		18860	
30000	6000		900		6900		84000	16800		2520		19320		18480		840		19320	
32000	6400		960		7360		86000	17200		2580		19780		18920		860		19780	
34000	6800		1020		7820		88000	17600		2640		20240		19360		880		20240	
36000	7200		1080		8280		90000	18000		2700		20700		19800		900		20700	
38000	7600		1140		8740		92000	18400		2760		21160		20240		920		21160	
40000	8000		1200		9200		94000	18800		2820		21620		20680		940		21620	
42000	8400		1260		9660		96000	19200		2880		22080		21120		960		22080	
44000	8800		1320		10120		98000	19600		2940		22540		21560		980		22540	
46000	9200		1380		10580		100000	20000		3000		23000		22000		1000		23000	

Note :—Tax is to be rounded off to the nearest multiple of Re. 1.

ADVANCE PAYMENT OF TAX

Advance tax is payable during the financial year in which the income is earned and for which the assessment is to be made in the assessment year immediately following that previous year.

Under Section 208, advance tax shall be payable during the financial year by an assessee when his total income exclusive of "capital gains" and income referred to in section 2(24)(ix)[i. e. any winning from lotteries, cross-word puzzles, races including horse races, card game and other games etc,] exceeds the amount specified below :—

- | | |
|--|--------------|
| (a) in the case of a company or local authority. | Rs. 2,500/- |
| (b)* in the case of a registered firm | Rs. 30,000/- |
| (c) in any other case. | Rs. 10,000/- |

Every person, irrespective of the fact whether he has been assessed to income-tax or not, is now required to pay advance tax voluntarily if his current income for the relevant year is likely to exceed the limits mentioned above. For the purposes of advance tax assessee's can be divided into two parts :

- (a) Persons previously assessed.
- (b) Persons not previously assessed.

PERSONS PREVIOUSLY ASSESSED :

Under sub section (1) of Section 209A every assessee who has been assessed by way of regular assessment if his current income is likely to exceed the amounts specified in sub-section (2) Section 208. (i.e. Rs 2,500/-in the case of a company or a local authority, Rs. 30,000/-in the case of a registered firm and Rs 10,000/-in any other case) is required to send a statement of the advance tax payable by him to the Income-Tax Officer before the date on which the first instalment of advance tax is due. The Income, that will form the basis of computation of advance tax for the purposes of furnishing the statement, will be the total income of the latest previous year in respect of which he has been assessed by way of regular assessment or, if a return has been filed by him for a later previous year on the basis of which tax has been paid by way of self assessment under Section 140A of the Income Tax Act, whichever is higher. Sub-section 2 of section 209A provides that where the assessee estimates that his current income in respect of which he is required to furnish the statement of advance tax would be less than the total income as aforesaid he will have the option to furnish an estimate of such current income form No. 29 instead of furnishing the statement before the due date of first instalment of advance tax.

Sub-Section (3) of Section 209A provides that in cases where an assessee has furnished a statement of advance tax payable by him, as mentioned above, he still has an option to file an estimate if he estimates that his current income is likely to be less than the income on the basis of which he is required to pay advance tax. Such an estimate can be furnished by him at any time before the last instalment of advance tax is payable in his case.

According to sub-section (4) the statement or the estimate of advance tax payable in the case of old assessee under Section 209A (1) or (2) should be sent in every case to the Income Tax Officer before the date on which the first instalment of advance tax is due in the case of the taxpayer concerned although the subsequent revision of the estimate or statement by the assessee himself, in exercise of the option given to him, could be made before the date for payment of the last instalment of the advance tax applicable to him.

According to sub-Section (4) of Section 209A, in every case where the advance tax payable by the assessee on the basis of his current income exceeds the tax payable by him on the basis of the statement or estimate already furnished, by more than

33-1/3% he will be required [as is presently done under Section 212(3A)] to furnish an estimate of advance tax payable by him on the basis of his current income before the date on which the last instalment of advance tax is due from him. As under the existing proviso to Section 212 (3A), specific provision has been made under Section 209A(4) that the Commissioner of Income tax would, however, be empowered to extend the time-limit for furnishing the estimate of advance tax in this type of cases upto a period of 30 days immediately following the accounting year in respect of the assessee's business subject, of course, to the condition that the tax-payer has paid the advance tax payable on the basis of the statement or estimate furnished by him before the date on which the last instalment is ordinarily due. Such an extension of time for furnishing the estimate and payment of advance tax under Section 209A(4) is permissible only in those cases where the Commissioner of Income-tax is satisfied that, having due regard to the nature of the assessee's business and the accounting year followed by him, it would be difficult for him to determine the income from the business and furnish the estimate of advance tax before the last date fixed for the purpose,

Sub-Section (5) of Section 209A provides that the assessee may submit a revised estimate of the advance tax payable by him before any of the dates specified under Section 211 to be the prescribed dates for payment of advance tax and the assessee would also be entitled to adjust any excess or deficiency in respect of an estimate already paid in any subsequent instalment or instalments. Sub-Section (6) of Section 209A provides that every statement or estimate for purposes of advance tax must be sent by the assessee in the prescribed form and must be verified in the prescribed manner.

Notwithstanding the fact that the assessee is voluntarily required to pay advance tax on the basis of his own estimate or statement, the Income-tax officer still have the power under section 210 to issue a notice for payment of advance tax in individual cases of asses see.

Under sub-section 1 of Section 211 the advance tax is payable in three equal instalments on the following dates :—

- | | |
|---|--|
| (i) In the case of an assessee where total income (exclusive of capital gains and winning from lotteries etc.) to the extent of 75 per cent is derived from a source or sources for which the previous year ends on or before the 31st day of December. | 15th June,
15th September
and 15th
December. |
| (ii) In any other case. | i.e. 15th September,
15th December and
15th March. |

In the cases where the previous year ends on or before 31st December, the Central Board of Direct taxes, may having regard to the nature of dealings in the business carried on by such assessee, the method of accounting followed by them and other relevant factors, authorise by notification in Official Gazette and subject to such conditions as specified therein, the payment of the last instalment of the advance tax on the 15th day of March during the financial year instead of the 15th day of December.

PERSONS NOT PREVIOUSLY ASSESSED

Persons who have not been previously assessed to tax by way of regular assessment under the income-tax Act, 1961 or under the income-tax Act, 1922 and their current income is likely to exceed the amount specified in sub-section (2) of section 208 i.e. Rs. 2,500/- in the case of company or a local authority, Rs. 30,000 in the case of registered firms, and Rs. 10,000 in any other case, are required to send an estimate of their income in each financial year before the date on which the last instalment of advance tax is due. Such assessee after sending the estimate, are also required to pay the advance tax as accord with their estimate in equal instalments on such of the dates applicable in their cases under section 211 as have not expired or in one sum if only last of such date has not expired.

In such cases also the assessee, may send a revised estimate of the advance tax as many times as they like but before the last instalment of payment of advance tax is due.

Under section 211(1) of the income-tax act, 1961, the advance tax is payable in three equal instalments as under :

- | | |
|---|---|
| (i) in the case of an assessee who derives 75% or more of the total income (<i>excluding capital gains and winnings from lotteries, crossword puzzles, horse races and card games etc.</i>) from sources for which the previous year ends on or before 31st December. | (i) 15th June
(ii) 15th September
(iii) 15th December |
| (ii) In any other case | (i) 15th September
(ii) 15th December
(iii) 15th March. |

Rounding off of Income—Under Section 288A of Income-tax Act, 1961, the total income, after allowing all deductions as admissible under Chapter VIA, is to be rounded off to the nearest multiple of Rs. 10: The amount in fraction of less than five rupees or more will be increased to ten rupees.

Rounding off of tax—Under section 288B, where the amount of tax includes a fraction of one rupee consisting of paisa, the amount in fraction of less than fifty paisa shall be ignored and the amount in fraction of fifty paisa or more shall be increased to rupee one.

COMPUTATION OF ADVANCE TAX

(A) For assesses other than mentioned in succeeding para (B):—Under section 209 (1) of the income-tax Act 1961, the advance tax is to be calculated on the total income (*as reduced by capital gains and winnings from lotteries, crossword puzzles, races including horse race; card game and other games etc if any, included in total income*) after taking into consideration the various deductions, reliefs and rebates admissible under the income-tax Act 1961. The amount of income-tax so calculated shall be reduced by the amount of tax deductible at source during the said financial year in accordance with the provisions of sections 192, 193, 194, 194A, 194B, 194C, 194D and 195 or on any income which has been taken into account in computing the said total income. The net amount of income-tax so calculated shall be the advance tax payable,

(B) For individuals, H.U.F., A.O.P., body of individuals and artificial juridical persons having agricultural as well as non-agricultural income :

Where the individuals, Hindu undivided families, unregistered firms, associations of persons, bodies of individuals or artificial juridical persons have agricultural as well as non-agricultural income and are required to pay advance-tax, they have to take their net agricultural income into account for the purpose of calculating the advance-tax payable by them,

The advance-tax will be calculated as below :—

- (1) the total income and the net agricultural income shall be aggregated and the amount of income-tax (*including surcharge*) shall be determined at the rates specified in part III of the First Schedule to the Finance Act 1978.
- (2) the net agricultural income shall be increased by a sum of Rs. 8,000 and the amount of income-tax (*including surcharge*) shall be determined in respect of such income at the rates specified in Part III of the First Schedule to the Finance Act 1978.

- (3) the amount by which the income tax determined in accordance with clause (1) exceeds the amount of income-tax determined in accordance with clause (2), shall be the income-tax payable in respect of the total income (*subject to marginal relief, if applicable*). The amount of income tax so determined shall be reduced by the amount of tax deductible at source during the said financial year on any income which has been taken into account in computing the total income. The net amount of income-tax so calculated shall be the advance-tax payable.

Example :

An individual has non-agricultural taxable income of Rs. 20,000 and net agricultural income of Rs. 10,000 in financial year 1978-79. A sum of Rs. 500 is deductible u/s 194A of the income-tax Act, 1961. Calculate the advance-tax liability.

Solution :

Computation of aggregated income

Non-agricultural taxable income	Rs, 20,000
Net agricultural income.	Rs. 10,000
	Rs. 30,000

Calculation of advance tax payable

Income-tax and surcharge on aggregated income of Rs. 30,000	Rs. 5,405.00	
Less : Income-tax and surcharge on net agricultural income as increased by Rs. 8,000 (i.e., on Rs. 18,000)	Rs. 1,828.50	Rs. 3576.50
Less : Tax deductible at source u/s 194A		Rs. 500.00
		Rs. 3076.50
	Rounded off	Rs. 3077

SET OFF, OR CARRY FORWARD AND SET OFF OF LOSSES Etc.

Lotteries cross word puzzles, races including horse races, card games, other games of any sort gambling or betting of any form (Section 74-A)	Relating to long term capital assets (Section 74)	Relating to short term capital assets (Section 74)	Speculation business (Section 73)	non-speculative business or profession or vocation (Section 72)	Other heads of income viz. salaries, interest on securities house properties and other sources,
(1) Within the same year (a) Set off under the same head of income Set off of loss from any of the captioned sources is allowed only against the income, if any, of the same (and none other) source. (b) Set off of loss under one head against the profit from another head of income.	Loss relating to a long term capital asset can be set off only against the gain, if any, arising from another long term capital asset.	Loss relating to short term capital asset can be set off against gain from any other capital assets (including long term capital asset if the assessee so choose)	Loss arising from one speculation business can be set off only against the profits, if any, from any other speculation business but can not be set off against the profits and gains of a non speculation business, profession or vocation.	Loss arising from any non speculative business, profession or vocation can be set off against the profits and gains, if any from other business (whether speculative or non-speculative), profession or vocation.	Loss from any source of income under any of the heads of income can be set off against the profits if any, from other source within the same head.
No such set off is allowed. No loss from any of the sources captioned above (all within the head "Income from other Sources") can be set off except against the very same source.	No such set off is allowed. As explained above losses cannot be set off except against long term capital gains.	Loss relating to short term capital assets to the extent not set off under any of the same head can be set off against any income, under any other head of income.	No such set off is allowed.	The loss under this head of income can be set off against income under any other head/source including capital gains, lotteries etc. and speculation business. The assessee, however has the option not to set off such loss against his long term capital gains if any.	Loss under any of these heads of income can be set off against income, profits and gains under any other head/source including capital gains, lotteries, etc. and speculation business. The assessee, however, has the option not to set off such loss against his long term capital gains if any.
(2) Carry forward and set off in subsequent years (a) The unabsorbed loss except race horses of one year can not be carried forward for set off against the subsequent years profits whether from the same or any other source. (b) The unabsorbed loss of race horses in case the horses are owned by the assessee and maintained for running in horse races, to the extent such losses do not exceed the amount of loss incurred by the assessee in the maintaining race horses shall be carried forward to the subsequent years to be set off against the income of same captioned head i.e. horse races.	The long term capital losses, to the extent not set off within the same year, can be carried forward and set off against the long term capital gains of the subsequent years.	The short term capital losses, to the extent not set off within the same year, can be carried forward and set off against the short term capital gains of the subsequent years.	The loss from speculation business, to the extent not set off within the same year, can be carried forward and set off only against the profits of any speculation business of a subsequent year even though the speculation business in which the loss had been incurred is discontinued prior to the subsequent year in which such set off is claimed.	The loss under this head of income, to the extent unabsorbed within the same year, can be carried forward and set off against the profits and gains of any business (including speculation business), profession vocation, of subsequent year provided the business profession or vocation in which the loss was sustained, continued to be carried by the same assessee (who claim such set off). Provided that where the whole or any part of such loss is sustained in any such business as is referred to section 33b which is discontinued in the circumstances specified in that section and thereafter, at any time before the expiry of the period of three years referred to in that section, such business is re-established, reconstructed or revived by the assessee, so much of the loss as is attributable to such business shall be carried forward to the assessment year relevant to the previous year in which the business is so re-established, reconstructed or revived and so much loss as not set off in this year, shall be further carried forward to the following assessment year and so on for seven assessment year immediately succeeding.	No such carry forward of the loss under these heads is allowed. In other words, the loss under these heads, to the extent not set off within the same year cannot be set off against the profits or income of the subsequent years whether under the same or other heads.
(3) Time limit for carry forward and set off such carry forward and set off of the horse race loss would be allowed till four years subsequent to the assessment year for which the loss was originally computed.	Such carry forward and set off would be allowed till four years subsequent to the assessment year for which the loss was originally computed.	Such loss can be carried forward for set off in the eight assessment years next following the assessment year for which the loss was originally computed.	A speculation loss can be carried forward only for eight years.	Such loss can be carried forward only for eight years.	not applicable.
(4) Precondition for carry forward Not applicable	The right of carry forward would be lost to an assessee not being a company, unless the net loss under the head "capital gains" relating to long term for such assessment year (in which the loss was originally sustained) exceeds Rs. 5000.	There is no such precondition in this case.	There is no such precondition in this case.	There is no such precondition in this case.	Not applicable.

Provisions relating to carry forward and set off accumulated loss and unabsorbed depreciation allowance in certain cases of amalgamation (Section 72A)

Where a company, owning an industrial undertaking or shipping unit amalgamates with another company, the accumulated loss and the unabsorbed depreciation allowance of the amalgamating company shall be deemed to be the loss or the depreciation allowance of the amalgamated company of the previous year in which the amalgamation was effected. This benefit will be available in cases where the central government is satisfied, on the recommendation of the specified authority, that the accumulated loss of the amalgamating company on the last day of the previous year preceding the year in which the amalgamation was effected, exceeded fifty percent of the paid up share capital and the reserve; the amalgamating company was not financially viable immediately before the amalgamation; the amalgamation was in the public interest; and the amalgamation fulfills such other conditions as may be laid down by the Central Government by notification in the official Gazette, to ensure that the benefit under the section is restricted to amalgamation which would facilitate the rehabilitation or revival of the business of the amalgamating company.

For the purposes of carry forward and set off of such loss or allowance for depreciation in any subsequent assessment year, the amalgamated company will have to satisfy the following conditions, namely:—

- (i) The business of the amalgamating company is carried on by the amalgamated company during the previous year relevant to the assessment year for which such set off or allowance is claimed. In case the business of the amalgamating company is carried on by the amalgamated company with some modification or re-organisation, to enable the amalgamated company to carry on the business, more economically or efficiently, such modification or re-organisation should have been approved by the central Government.
- (ii) The amalgamated company should furnish, alongwith its return of income for the assessment year for which such set off is claimed, a certificate from the specified authority to the effect that adequate steps have been taken by that company for the re-habilitation or revival of the business of the amalgamating company.

Losses of Registered Firms or unregistered firms assessed as registered Firm : (Section 75 & 76)

The loss of a registered firm or unregistered firm assessed as a registered firm is to be allocated amongst the partners of the firms who are entitled to set off of such loss against their personal income and carry forward any portion of the unabsorbed loss.

Carry forward set off of losses in the case of change in constitution of firm : [sec. 78]

The right to carry forward and set off of losses is available only to the person who has suffered such loss and to no one else. Accordingly, a firm is not entitled to carry forward and set off against its future profit so much of its loss as is proportionate to the shares of a retired or a deceased partner. Further, the right for such carry forward is conditional upon the assessee continuing to carry on the business in which such loss is occurred. The retiring

partner or deceased partner would also, therefore, lose the right of carry forward of his share of the loss, and unabsorbed loss, it would become a capital loss.

Carry forward and set off in the case of succession of a Firm : (Sec. 78).

Likewise, the successor has no right to carry forward the unabsorbed losses and unabsorbed depreciation, etc., of the year prior to the succession of the business. The predecessor also loses this right of carry forward and set off because he ceases to be in the business in respect of which such loss is incurred.

However, when an individual succeeds to or is succeeded by a registered firm in which he himself is a partner, the carry forward of unabsorbed losses, unabsorbed depreciation and development rebate would be allowed in his individual assessment.

In case where a firm is succeeded by a company (also where there is an amalgamation of companies) the development rebate already allowed to the firm would not be revoked and carry forward of unabsorbed development rebate would be allowed to the successor subject to certain conditions stipulated sub-section 3 and 4 of Section 33 of the Act.

Unabsorbed Depreciation Allowance of Past Year :

It may be recalled that there is no time limit for carry forward and set off of unabsorbed depreciation and the assessee is entitled to defer the adjustment of other allowance as well. Where the profits of a subsequent year are insufficient to absorb all such allowances etc., the following order of priorities should be observed :

- Firstly —Current depreciation [Sec. 32 (1)].
- Secondly —Carried forward loss of earlier years [Sec. 72 (1)].
- Thirdly —Unabsorbed depreciation allowance of earlier years [Sec. 32 (2)].
- Fourthly —Unabsorbed development rebate of earlier years [Sec. 33 (2) (ii)].
- Fifthly —Current development rebate [Sec. 33(2) (i)].
- Sixthly —Unabsorbed development allowance of earlier years [Sec. 33 A (2) (ii)].
- Seventhly—Current development allowance [Sec. 33A (2) (i)].
- Eighthly —Unabsorbed Investment allowance of earlier years [Sec. 33A (3)(ii)].
- Ninthly —Current Investment Allowance [Sec. 33A (3) (i)].

Unabsorbed capital expenditure on scientific research [Section 35(4)]. The unabsorbed capital expenditure on scientific research stands on the same footing as unabsorbed depreciation for the purposes of carry forward and set off as explained above.

Deficiency in the deduction for newly established industrial undertakings etc.
[Sec. 80 J].

The deduction under Section 80J to the newly established industrial undertakings etc. is allowed from the gross total income of the assessee.

The set off of losses depreciation allowance, development rebate and capital losses etc. (current as well as past years) is effected under the respective heads of income separately. It is from this resultant gross total income that the deduction under section 80J would be allowed. As the adjustment in respect of carried forward and current year's losses etc., precedes in the computation of gross total income hence deduction under Section 80J, would get the least priority.

ASSESSMENT YEAR 1978-79

and

Assessment year 1979-80 (for computing advance tax and tax deducted at source etc).

			For individuals unspecified	For specified
(A) INCOME-TAX RATE			H.U.F., U.R.F. & A. O. P.	H.U.F
on the first Rs.	8,000	(0— 8,000)	Nil	Nil
on the next Rs.	7,000	(8,000— 15,000)	15%	18%
on the next Rs.	5,000	(15,000— 20,000)	18%	25%
on the next Rs.	5,000	(20,000— 25,000)	25%	30%
on the next Rs.	5,000	(25,000— 30,000)	30%	40%
on the next Rs.	20,000	(30,000— 50,000)	40%	50%
on the next Rs.	20,000	(50,000— 70,000)	50%	55%
on the next Rs.	30,000	(70,000—1,00,000)	55%	60%
on the balance of income		(above Rs. 1,00,000)	60%	60%

Provided that—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;
- (ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 10,540, in case of individuals, unspecified H. U. F., U. R. F. and A. O. P. and Rs. 10,690 in case of specified H. U. F. the income-tax payable thereon shall not exceed seventy per cent. of the amount by which the total income exceeds Rs. 10,000.

(B) SURCHARGE ON INCOME-TAX	15%	15%
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RATES OF COMPULSORY DEPOSIT.*(For Individuals H.U.F. and Trustees of discretionary Trust)*

	A.Y. 1978-79	A.Y. 1979-80
(1) Where the current income exceeds Rs. 15,000/- but does not exceed Rs. 25,000/-	4% of the current income.	4.5% of the current income.
(2) Where the current income exceeds Rs. 25,000/- but does not exceed Rs. 35,000/-	Rs. 1000 plus 10% of the amount by which the current income exceeds Rs. 25,000/-	Rs. 1125 plus 11% of the amount by which the current income exceeds Rs. 25,000/-
(3) Where the current income exceeds Rs. 35,000/- but does not exceed Rs. 70,000/-	Rs. 2000 plus 10% of the amount by which the current income exceeds Rs. 35,000/-	Rs. 2225 plus 12.5% of the amount by which the current income exceeds Rs. 35,000/-
(4) Where the current income exceeds Rs. 70,000/-	Rs. 5500 plus 12% of the amount by which the current income exceeds Rs. 70,000/-	Rs. 6600/- plus 15% of the amount by which the current income exceeds Rs. 70,000/-

Provided that where the current income exceeds Rs. 15,000/- but does not exceed Rs. 15,620 in the assessment year 1978-79 (Rs. 15,710/- in assessment year 1979-80) the compulsory deposit shall in no case exceed the amount by which the current income exceeds Rs. 15,000/-.

Provided further that where in the case of any depositor the amount of compulsory deposit calculated in accordance with the foregoing provisions is less than Rs. 100, it shall not be necessary for him to make such deposit.

Notes :— (1) Current income has the meaning assigned to it in sub-section (3) of section 4 of the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974.

(2) With effect from Assessment year 1978-79 the persons who are over 70 years of age as on the 1st day of financial year immediately preceding the assessment year, are not required to make any C. D. S.

INCOME-TAX & SURCHARGE for individuals, unregistered firms H.U.F. and A.O.P. other than companies

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WHERE TAXABLE INCOME IS BETWEEN Rs. 10,010 & Rs. 10,690

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 15%
Surcharge 15%

Income Tax 18%
Surcharge 15%

Income Tax 15%
Surcharge 15%

Income Tax 18%
Surcharge 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H. U. F.			FOR SPECIFIED H. U. F.			Taxa- ble income	FOR ALL ABOVE EXCEPT SPECIFIED H. U. F.			FOR SPECIFIED H. U. F.		
	I. T.	S. C.	Total Tax	I. T.	S. C.	Total Tax		I. T.	S. C.	Total Tax	I. T.	S. C.	Total Tax
	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
10010	7.00	1.05	8.05	7.00	1.05	8.05	10350	245.00	36.75	281.75	245.00	36.75	281.75
10020	14.00	2.10	16.10	14.00	2.10	16.10	10360	252.00	37.80	289.80	252.00	37.80	289.80
10030	21.00	3.15	24.15	21.00	3.15	24.15	10370	259.00	38.85	297.85	259.00	38.85	297.85
10040	28.00	4.20	32.20	28.00	4.20	32.20	10380	266.00	39.90	305.90	266.00	39.90	305.90
10050	35.00	5.25	40.25	35.00	5.25	40.25	10390	273.00	40.95	313.95	273.00	40.95	313.95
10060	42.00	6.30	48.30	42.00	6.30	48.30	10400	280.00	42.00	322.00	280.00	42.00	322.00
10070	49.00	7.35	56.35	49.00	7.35	56.35	10410	287.00	43.05	330.05	287.00	43.05	330.05
10080	56.00	8.40	64.40	56.00	8.40	64.40	10420	294.00	44.10	338.10	294.00	44.10	338.10
10090	63.00	9.45	72.45	63.00	9.45	72.45	10430	301.00	45.15	346.15	301.00	45.15	346.15
10100	70.00	10.50	80.50	70.00	10.50	80.50	10440	308.00	46.20	354.20	308.00	46.20	354.20
10110	77.00	11.55	88.55	77.00	11.55	88.55	10450	315.00	47.25	362.25	315.00	47.25	362.25
10120	84.00	12.60	96.60	84.00	12.60	96.60	10460	322.00	48.30	370.30	322.00	48.30	370.30
10130	91.00	13.65	104.65	91.00	13.65	104.65	10470	329.00	49.35	378.35	329.00	49.35	378.35
10140	98.00	14.70	112.70	98.00	14.70	112.70	10480	336.00	50.40	386.40	336.00	50.40	386.40
10150	105.00	15.75	120.75	105.00	15.75	120.75	10490	343.00	51.45	394.45	343.00	51.45	394.45
10160	112.00	16.80	128.80	112.00	16.80	128.80	10500	350.00	52.50	402.50	350.00	52.50	402.50
10170	119.00	17.85	136.85	119.00	17.85	136.85	10510	357.00	53.55	410.55	357.00	53.55	410.55
10180	126.00	18.90	144.90	126.00	18.90	144.90	10520	364.00	54.60	418.60	364.00	54.60	418.60
10190	133.00	19.95	152.95	133.00	19.95	152.95	10530	371.00	55.65	426.65	371.00	55.65	426.65
10200	140.00	21.00	161.00	140.00	21.00	161.00	10540	378.00	56.70	434.70	378.00	56.70	434.70
10210	147.00	22.05	169.05	147.00	22.05	169.05	10550				385.00	57.75	442.75
10220	154.00	23.10	177.10	154.00	23.10	177.10	10560				392.00	58.80	450.80
10230	161.00	24.15	185.15	161.00	24.15	185.15	10570				399.00	59.85	458.85
10240	168.00	25.20	193.20	168.00	25.20	193.20	10580				406.00	60.90	466.90
10250	175.00	26.25	201.25	175.00	26.25	201.25	10590				413.00	61.95	474.95
10260	182.00	27.30	209.30	182.00	27.30	209.30	10600				420.00	63.00	483.00
10270	189.00	28.35	217.35	189.00	28.35	217.35	10610				427.00	64.05	491.05
10280	196.00	29.40	225.40	196.00	29.40	225.40	10620				434.00	65.10	499.10
10290	203.00	30.45	233.45	203.00	30.45	233.45	10630				441.00	66.15	507.15
10300	210.00	31.50	241.50	210.00	31.50	241.50	10640				448.00	67.20	515.20
10310	217.00	32.55	249.55	217.00	32.55	249.55	10650				455.00	68.25	523.25
10320	224.00	33.60	257.60	224.00	33.60	257.60	10660				462.00	69.30	531.30
10330	231.00	34.65	265.65	231.00	34.65	265.65	10670				469.00	70.35	539.35
10340	238.00	35.70	273.70	238.00	35.70	273.70	10680				476.00	71.40	547.40
10350	245.00	36.75	281.75	245.00	36.75	281.75	10690				483.00	72.45	555.45

Note :—(i) The total tax has to be rounded off to the nearest multiple of Rs. 1.

(ii) In this table, tax has been calculated subject to marginal relief.

INCOME-TAX & SURCHARGE for individuals, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 10,540 & Rs. 15,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 15%
Surcharge 15%

Income Tax 18%
Surcharge 15%

Income Tax 15%
Surcharge 15%

Income Tax 18%
Surcharge 15%

Taxable ome Rs.	FOR ALL ABOVE EXCEPT SPECIFIED H. U. F.			FOR SPECIFIED H. U. F.			Taxa- ble income Rs.	FOR ALL ABOVE EXCEPT SPECIFIED H. U. F.			FOR SPECIFIED H. U. F.		
	I. T.	S. C.	Total Tax	I. T.	S. C.	Total Tax		I. T.	S. C.	Total Tax	I. T.	S. C.	Total Tax
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
10	1.50	0.23	1.73	1.80	0.27	2.07	10	1.50	0.23	1.73	1.80	0.27	2.07
20	3.00	0.45	3.45	3.60	0.54	4.14	20	3.00	0.45	3.45	3.60	0.54	4.14
30	4.50	0.68	5.18	5.40	0.81	6.21	30	4.50	0.68	5.18	5.40	0.81	6.21
40	6.00	0.90	6.90	7.20	1.08	8.28	40	6.00	0.90	6.90	7.20	1.08	8.28
50	7.50	1.13	8.63	9.00	1.35	10.35	50	7.50	1.13	8.63	9.00	1.35	10.35
60	9.00	1.35	10.35	10.80	1.62	12.42	60	9.00	1.35	10.35	10.80	1.62	12.42
70	10.50	1.58	12.08	12.60	1.89	14.49	70	10.50	1.58	12.08	12.60	1.89	14.49
80	12.00	1.80	13.80	14.40	2.16	16.56	80	12.00	1.80	13.80	14.40	2.16	16.56
90	13.50	2.03	15.53	16.20	2.43	18.63	90	13.50	2.03	15.53	16.20	2.43	18.63
10540	378.00	56.70	434.70	REFER PREVIOUS TABLE			12100	615	92.25	707.25	738	110.70	848.70
10550	382.50	57.37	439.87				12200	630	94.50	724.50	756	113.40	869.40
10560	384.00	57.60	441.60				12300	645	96.75	741.75	774	116.10	890.10
10570	385.50	57.82	443.32				12400	660	99.00	759.00	792	118.80	910.80
10580	387.00	58.05	445.05				12500	675	101.25	776.25	810	121.50	931.50
10590	388.50	58.27	446.77				12600	690	103.50	793.50	828	124.20	952.20
10600	390.00	58.50	448.50				12700	705	105.75	810.75	846	126.90	972.90
10610	391.50	58.72	450.22				12800	720	108.00	828.00	864	129.60	993.60
10620	393.00	58.95	451.95				12900	735	110.25	845.25	882	132.30	1014.30
10630	394.50	59.18	453.68				13000	750	112.50	862.50	900	135.00	1035.00
10640	396.00	59.40	455.40	486.00 72.90 558.90 504.00 75.60 579.60			13100	765	114.75	879.75	918	137.70	1055.70
10650	397.50	59.63	457.13				13200	780	117.00	897.00	936	140.40	1076.40
10660	399.00	59.85	458.85				13300	795	119.25	914.25	954	143.10	1097.10
10670	400.50	60.08	460.58				13400	810	121.50	931.50	972	145.80	1117.80
10680	402.00	60.30	462.30				13500	825	123.75	948.75	990	148.50	1138.50
10690	403.50	60.53	464.03				13600	840	126.00	966.00	1008	151.20	1159.20
10700	405.00	60.75	465.75				13700	855	128.25	983.25	1026	153.90	1179.90
10800	420.00	63.00	483.00				13800	870	130.50	1000.50	1044	156.60	1200.60
10900	435.00	65.25	500.25				13900	885	132.75	1017.75	1062	159.30	1221.30
11000	450.00	67.50	517.50				14000	900	135.00	1035.00	1080	162.00	1242.00
11100	465.00	69.75	534.75	522.00 78.30 600.30 540.00 81.00 621.00			14100	915	137.25	1052.25	1098	164.70	1262.70
11200	480.00	72.00	552.00				14200	930	139.50	1069.50	1116	167.40	1283.40
11300	495.00	74.25	569.25				14300	945	141.75	1086.75	1134	170.10	1304.10
11400	510.00	76.50	586.50				14400	960	144.00	1104.00	1152	172.80	1324.80
11500	525.00	78.75	603.75				14500	975	146.25	1121.25	1170	175.50	1345.50
11600	540.00	81.00	621.00				14600	990	148.50	1138.50	1188	178.20	1366.20
11700	555.00	83.25	638.25				14700	1005	150.75	1155.75	1206	180.90	1386.90
11800	570.00	85.50	655.50				14800	1020	153.00	1173.00	1224	183.60	1407.60
11900	585.00	87.75	672.75				14900	1035	155.25	1190.25	1242	186.30	1428.30
12000	600.00	90.00	690.00				15000	1050	157.50	1207.50	1260	189.00	1449.00

Note :—(i) The total tax has to be rounded off to the nearest multiple of Rs. 1.
(ii) In this table, tax has been calculated subject to marginal relief.

**INCOME-TAX & SURCHARGE for individual, unregistered firms
H.U.F. and A.O.P. other than companies**

WHERE TAXABLE INCOME IS BETWEEN Rs. 15,000 & Rs. 17,500

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 18% Surcharge 15% Income Tax 25% Surcharge 15% C.D.S. 4% C.D.S. 4.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	1.80	0.27	2.07	2.50	0.38	2.88	0.40	0.45
20	3.60	0.54	4.14	5.00	0.75	5.75	0.80	0.90
30	5.40	0.81	6.21	7.50	1.13	8.63	1.20	1.35
40	7.20	1.08	8.28	10.00	1.50	11.50	1.60	1.80
50	9.00	1.35	10.35	12.50	1.88	14.38	2.00	2.25
60	10.80	1.62	12.42	15.00	2.25	17.25	2.40	2.70
70	12.60	1.89	14.49	17.50	2.63	20.13	2.80	3.15
80	14.40	2.16	16.56	20.00	3.00	23.00	3.20	3.60
90	16.20	2.43	18.63	22.50	3.38	25.88	3.60	4.05
15000	1050	157.50	1207.50	1260	189.00	1449.00	NIL	NIL
15100	1068	160.20	1228.20	1285	192.75	1477.75	100	100.00
15200	1086	162.90	1248.90	1310	196.50	1506.50	200	200.00
15300	1104	165.60	1269.60	1335	200.25	1535.25	300	300.00
15400	1122	168.30	1290.30	1360	204.00	1564.00	400	400.00
15500	1140	171.00	1311.00	1385	207.75	1592.75	500	500.00
15600	1158	173.70	1331.70	1410	211.50	1621.50	600	600.00
15700	1176	176.40	1352.40	1435	215.25	1650.25	628	706.50
15800	1194	179.10	1373.10	1460	219.00	1679.00	632	711.00
15900	1212	181.80	1393.80	1485	222.75	1707.75	636	715.50
16000	1230	184.50	1414.50	1510	226.50	1736.50	640	720.00
16100	1248	187.20	1435.20	1535	230.25	1765.25	644	724.50
16200	1266	189.90	1455.90	1560	234.00	1794.00	648	729.00
16300	1284	192.60	1476.60	1585	237.75	1822.75	652	733.50
16400	1302	195.30	1497.30	1610	241.50	1851.50	656	738.00
16500	1320	198.00	1518.00	1635	245.25	1880.25	660	742.50
16600	1338	200.70	1538.70	1660	249.00	1909.00	664	747.00
16700	1356	203.40	1559.40	1685	252.75	1937.75	668	751.50
16800	1374	206.10	1580.10	1710	256.50	1966.50	672	756.00
16900	1392	208.80	1600.80	1735	260.25	1995.25	676	760.50
17000	1410	211.50	1621.50	1760	264.00	2024.00	680	765.00
17100	1428	214.20	1642.20	1785	267.75	2052.75	684	769.50
17200	1446	216.90	1662.90	1810	271.50	2081.50	688	774.00
17300	1464	219.60	1683.60	1835	275.25	2110.25	692	778.50
17400	1482	222.30	1704.30	1860	279.00	2139.00	696	783.00
17500	1500	225.00	1725.00	1885	282.75	2167.75	700	787.50

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 17,500 & Rs. 20,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 18% Surcharge 15% Income Tax 25% Surcharge 15% C.D.S. 4% C.D.S. 4.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	1.80	0.27	2.07	2.50	0.38	2.88	0.40	0.45
20	3.60	0.54	4.14	5.00	0.75	5.75	0.80	0.90
30	5.40	0.81	6.21	7.50	1.13	8.63	1.20	1.35
40	7.20	1.08	8.28	10.00	1.50	11.50	1.60	1.80
50	9.00	1.35	10.35	12.50	1.88	14.38	2.00	2.25
60	10.80	1.62	12.42	15.00	2.25	17.25	2.40	2.70
70	12.60	1.89	14.49	17.50	2.63	20.13	2.80	3.15
80	14.40	2.16	16.56	20.00	3.00	23.00	3.20	3.60
90	16.20	2.43	18.63	22.50	3.38	25.88	3.60	4.05
17500	1500	225.00	1725.00	1885	282.75	2167.75	700	787.50
17600	1518	227.70	1745.70	1910	286.50	2196.50	704	792.00
17700	1536	230.40	1766.40	1935	290.25	2225.25	708	796.50
17800	1554	233.10	1787.10	1960	294.00	2254.00	712	801.00
17900	1572	235.80	1807.80	1985	297.75	2282.75	716	805.50
18000	1590	238.50	1828.50	2010	301.50	2311.50	720	810.00
18100	1608	241.20	1849.20	2035	305.25	2340.25	724	814.50
18200	1626	243.90	1869.90	2060	309.00	2369.00	728	819.00
18300	1644	246.60	1890.60	2085	312.75	2397.75	732	823.50
18400	1662	249.30	1911.30	2110	316.50	2426.50	736	828.00
18500	1680	252.00	1932.00	2135	320.25	2455.25	740	832.50
18600	1698	254.70	1952.70	2160	324.00	2484.00	744	837.00
18700	1716	257.40	1973.40	2185	327.75	2512.75	748	841.50
18800	1734	260.10	1994.10	2210	331.50	2541.50	752	846.00
18900	1752	262.80	2014.80	2235	335.25	2570.25	756	850.50
19000	1770	265.50	2035.50	2260	339.00	2599.00	760	855.00
19100	1788	268.20	2056.20	2285	342.75	2627.75	764	859.50
19200	1806	270.90	2076.90	2310	346.50	2656.50	768	864.00
19300	1824	273.60	2097.60	2335	350.25	2685.25	772	868.50
19400	1842	276.30	2118.30	2360	354.00	2714.00	776	873.00
19500	1860	279.00	2139.00	2385	357.75	2742.75	780	877.50
19600	1878	281.70	2159.70	2410	361.50	2771.50	784	882.00
19700	1896	284.40	2180.40	2435	365.25	2800.25	788	886.50
19800	1914	287.10	2201.10	2460	369.00	2829.00	792	891.00
19900	1932	289.80	2221.80	2485	372.75	2857.75	796	895.50
20000	1950	292.50	2242.50	2510	376.50	2886.50	800	900.00

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re.1 and Rs 10. respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 20,000 & Rs. 22,500****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 25% Surcharge 15% Income Tax 30% Surcharge 15% C.D.S. 4% C.D.S. 4.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	2.50	0.38	2.88	3.00	.45	3.45	0.40	0.45
20	5.00	0.75	5.75	6.00	0.90	6.90	0.80	0.90
30	7.50	1.13	8.63	9.00	1.35	10.35	1.20	1.35
40	10.00	1.50	11.50	12.00	1.80	13.80	1.60	1.80
50	12.50	1.88	14.38	15.00	2.25	17.25	2.00	2.25
60	15.00	2.25	17.25	18.00	2.70	20.70	2.40	2.70
70	17.50	2.63	20.13	21.00	3.15	24.15	2.80	3.15
80	20.00	3.00	23.00	24.00	3.60	27.60	3.20	3.60
90	22.50	3.38	25.88	27.00	4.05	31.05	3.60	4.05
20000	1950	292.50	2242.50	2510	376.50	2886.50	800	900.00
20100	1975	296.25	2271.25	2540	381.00	2921.00	804	904.50
20200	2000	300.00	2300.00	2570	385.50	2955.50	808	909.00
20300	2025	303.75	2328.75	2600	390.00	2990.00	812	913.50
20400	2050	307.50	2357.50	2630	394.50	3024.50	816	918.00
20500	2075	311.25	2386.25	2660	399.00	3059.00	820	922.50
20600	2100	315.00	2415.00	2690	403.50	3093.50	824	927.00
20700	2125	318.75	2443.75	2720	408.00	3128.00	828	931.50
20800	2150	322.50	2472.50	2750	412.50	3162.50	832	936.00
20900	2175	326.25	2501.25	2780	417.00	3197.00	836	940.50
21000	2200	330.00	2530.00	2810	421.50	3231.50	840	945.00
21100	2225	333.75	2558.75	2840	426.00	3266.00	844	949.50
21200	2250	337.50	2587.50	2870	430.50	3300.50	848	954.00
21300	2275	341.25	2616.25	2900	435.00	3335.00	852	958.50
21400	2300	345.00	2645.00	2930	439.50	3369.50	856	963.00
21500	2325	348.75	2673.75	2960	444.00	3404.00	860	967.50
21600	2350	352.50	2702.50	2990	448.50	3438.50	864	972.00
21700	2375	356.25	2731.25	3020	453.00	3473.00	868	976.50
21800	2400	360.00	2760.00	3050	457.50	3507.50	872	981.00
21900	2425	363.75	2788.75	3080	462.00	3542.00	876	985.50
22000	2450	367.50	2817.50	3110	466.50	3576.50	880	990.00
22100	2475	371.25	2846.25	3140	471.00	3611.00	884	994.50
22200	2500	375.00	2875.00	3170	475.50	3645.50	888	999.00
22300	2525	378.75	2903.75	3200	480.00	3680.00	892	1003.50
22400	2550	382.50	2932.50	3230	484.50	3714.50	896	1008.00
22500	2575	386.25	2961.25	3260	489.00	3749.00	900	1012.50

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms

H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 22,500 & Rs. 25,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 25% Surcharge 15% Income Tax 30% Surcharge 15% C.D.S. 4% C.D.S. 4.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	2.50	0.38	2.88	3.00	0.45	3.45	0.40	0.45
20	5.00	0.75	5.75	6.00	0.90	6.90	0.80	0.90
30	7.50	1.13	8.63	9.00	1.35	10.35	1.20	1.35
40	10.00	1.50	11.50	12.00	1.80	13.80	1.60	1.80
50	12.50	1.88	14.38	15.00	2.25	17.25	2.00	2.25
60	15.00	2.25	17.25	18.00	2.70	20.70	2.40	2.70
70	17.50	2.63	20.13	21.00	3.15	24.15	2.80	3.15
80	20.00	3.00	23.00	24.00	3.60	27.60	3.20	3.60
90	22.50	3.38	25.88	27.00	4.05	31.05	3.60	4.05
22500	2575	386.25	2961.25	3260	489.00	3749.00	900	1012.50
22600	2600	390.00	2990.00	3290	493.50	3783.50	904	1017.00
22700	2625	393.75	3018.75	3320	498.00	3818.00	908	1021.50
22800	2650	397.50	3047.50	3350	502.50	3852.50	912	1026.00
22900	2675	401.25	3076.25	3380	507.00	3887.00	916	1030.50
23000	2700	405.00	3105.00	3410	511.50	3921.50	920	1035.00
23100	2725	408.75	3133.75	3440	516.00	3956.00	924	1039.50
23200	2750	412.50	3162.50	3470	520.50	3990.50	928	1044.00
23300	2775	416.25	3191.25	3500	525.00	4025.00	932	1048.50
23400	2800	420.00	3220.00	3530	529.50	4059.50	936	1053.00
23500	2825	423.75	3248.75	3560	534.00	4094.00	940	1057.50
23600	2850	427.50	3277.50	3590	538.50	4128.50	944	1062.00
23700	2875	431.25	3306.25	3620	543.00	4163.00	948	1066.50
23800	2900	435.00	3335.00	3650	547.50	4197.50	952	1071.00
23900	2925	438.75	3363.75	3680	552.00	4232.00	956	1075.50
24000	2950	442.50	3392.50	3710	556.50	4266.50	960	1080.00
24100	2975	446.25	3421.25	3740	561.00	4301.00	964	1084.50
24200	3000	450.00	3450.00	3770	565.50	4335.50	968	1089.00
24300	3025	453.75	3478.75	3800	570.00	4370.00	972	1093.50
24400	3050	457.50	3507.50	3830	574.50	4404.50	976	1098.00
24500	3075	461.25	3536.25	3860	579.00	4439.00	980	1102.50
24600	3100	465.00	3565.00	3890	583.50	4473.50	984	1107.00
24700	3125	468.75	3593.75	3920	588.00	4508.00	988	1111.50
24800	3150	472.50	3622.50	3950	592.50	4542.50	992	1116.00
24900	3175	476.25	3651.25	3980	597.00	4577.00	996	1120.50
25000	3200	480.00	3680.00	4010	601.50	4611.50	1000	1125.00

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.
(iii) The total tax and C.D.S. are to be rounded off to the nearest multiple of Re 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 25,000 & Rs. 27,500

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 30% Surcharge 15% Income Tax 40% Surcharge 15% C.D.S. 10% C.D.S. 11%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	3	0.45	3.45	4	0.60	4.60	1	1.10
20	6	0.90	6.90	8	1.20	9.20	2	2.20
30	9	1.35	10.35	12	1.80	13.80	3	3.30
40	12	1.80	13.80	16	2.40	18.40	4	4.40
50	15	2.25	17.25	20	3.00	23.00	5	5.50
60	18	2.70	20.70	24	3.60	27.60	6	6.60
70	21	3.15	24.15	28	4.20	32.20	7	7.70
80	24	3.60	27.60	32	4.80	36.80	8	8.80
90	27	4.05	31.05	36	5.40	41.40	9	9.90
25000	3200	480.00	3680.00	4010	601.50	4611.50	1000	1125
25100	3230	484.50	3714.50	4050	607.50	4657.50	1010	1136
25200	3260	489.00	3749.00	4090	613.50	4703.50	1020	1147
25300	3290	493.50	3783.50	4130	619.50	4749.50	1030	1158
25400	3320	498.00	3818.00	4170	625.50	4795.50	1040	1169
25500	3350	502.50	3852.50	4210	631.50	4841.50	1050	1180
25600	3380	507.00	3887.00	4250	637.50	4887.50	1060	1191
25700	3410	511.50	3921.50	4290	643.50	4933.50	1070	1202
25800	3440	516.00	3956.00	4330	649.50	4979.50	1080	1213
25900	3470	520.50	3990.50	4370	655.50	5025.50	1090	1224
26000	3500	525.00	4025.00	4410	661.50	5071.50	1100	1235
26100	3530	529.50	4059.50	4450	667.50	5117.50	1110	1246
26200	3560	534.00	4094.00	4490	673.50	5163.50	1120	1257
26300	3590	538.50	4128.50	4530	679.50	5209.50	1130	1268
26400	3620	543.00	4163.00	4570	685.50	5255.50	1140	1279
26500	3650	547.50	4197.50	4610	691.50	5301.50	1150	1290
26600	3680	552.00	4232.00	4650	697.50	5347.50	1160	1301
26700	3710	556.50	4266.50	4690	703.50	5393.50	1170	1312
26800	3740	561.00	4301.00	4730	709.50	5439.50	1180	1323
26900	3770	565.50	4335.50	4770	715.50	5485.50	1190	1334
27000	3800	570.00	4370.00	4810	721.50	5531.50	1200	1345
27100	3830	574.50	4404.50	4850	727.50	5577.50	1210	1356
27200	3860	579.00	4439.00	4890	733.50	5623.50	1220	1367
27300	3890	583.50	4473.50	4930	739.50	5669.50	1230	1378
27400	3920	588.00	4508.00	4970	745.50	5715.50	1240	1389
27500	3950	592.50	4542.50	5010	751.50	5761.50	1250	1400

Notes- (i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re.1 and Rs. 10, respectively

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 27500 & Rs. 30000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 30% Surcharge 15% Income Tax 40% Surcharge 15% C.D.S. 10% C.D.S. 11%

Taxable Income Rs.	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	3	0.45	3.45	4	0.60	4.60	1	1.10
20	6	0.90	6.90	8	1.20	9.20	2	2.20
30	9	1.35	10.35	12	1.80	13.80	3	3.30
40	12	1.80	13.80	16	2.40	18.40	4	4.40
50	15	2.25	17.25	20	3.00	23.00	5	5.50
60	18	2.70	20.70	24	3.60	27.60	6	6.60
70	21	3.15	24.15	28	4.20	32.20	7	7.70
80	24	3.60	27.60	32	4.80	36.80	8	8.80
90	27	4.05	31.05	36	5.40	41.40	9	9.90
27500	3950	592.50	4542.50	5010	751.50	5761.50	1250	1400
27600	3980	597.00	4577.00	5050	757.50	5807.50	1260	1411
27700	4010	601.50	4611.50	5090	763.50	5853.50	1270	1422
27800	4040	606.00	4646.00	5130	769.50	5899.50	1280	1433
27900	4070	610.50	4680.50	5170	775.50	5945.50	1290	1444
28000	4100	615.00	4715.00	5210	781.50	5991.50	1300	1455
28100	4130	619.50	4749.50	5250	787.50	6037.50	1310	1466
28200	4160	624.00	4784.00	5290	793.50	6083.50	1320	1477
28300	4190	628.50	4818.50	5330	799.50	6129.50	1330	1488
28400	4220	633.00	4853.00	5370	805.50	6175.50	1340	1499
28500	4250	637.50	4887.50	5410	811.50	6221.50	1350	1510
28600	4280	642.00	4922.00	5450	817.50	6267.50	1360	1521
28700	4310	646.50	4956.50	5490	823.50	6313.50	1370	1532
28800	4340	651.00	4991.00	5530	829.50	6359.50	1380	1543
28900	4370	655.50	5025.50	5570	835.50	6405.50	1390	1554
29000	4400	660.00	5060.00	5610	841.50	6451.50	1400	1565
29100	4430	664.50	5094.50	5650	847.50	6497.50	1410	1576
29200	4460	669.00	5129.00	5690	853.50	6543.50	1420	1587
29300	4490	673.50	5163.50	5730	859.50	6589.50	1430	1598
29400	4520	678.00	5198.00	5770	865.50	6635.50	1440	1609
29500	4550	682.50	5232.50	5810	871.50	6681.50	1450	1620
29600	4580	687.00	5267.00	5850	877.50	6727.50	1450	1631
29700	4610	691.50	5301.50	5890	883.50	6773.50	1470	1642
29800	4640	696.00	5336.00	5930	889.50	6819.50	1480	1653
29900	4670	700.50	5370.50	5970	895.50	6865.50	1490	1664
30000	4700	705.00	5405.00	6010	901.50	6911.50	1500	1675

Notes— (i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individuals (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total tax and C.D.S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

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WHERE TAXABLE INCOME IS BETWEEN Rs. 30,000 & Rs. 32,500

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 11%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.10
20	8	1.20	9.20	10	1.50	11.50	2	2.20
30	12	1.80	13.80	15	2.25	17.25	3	3.30
40	16	2.40	18.40	20	3.00	23.00	4	4.40
50	20	3.00	23.00	25	3.75	28.75	5	5.50
60	24	3.60	27.60	30	4.50	34.50	6	6.60
70	28	4.20	32.20	35	5.25	40.25	7	7.70
80	32	4.80	36.80	40	6.00	46.00	8	8.80
90	36	5.40	41.40	45	6.75	51.75	9	9.90
30000	4700	705	5405	6010	901.50	6911.50	1500	1675
30100	4740	711	5451	6060	909.00	6969.00	1510	1686
30200	4780	717	5497	6110	916.50	7026.50	1520	1697
30300	4820	723	5543	6160	924.00	7084.00	1530	1708
30400	4860	729	5589	6210	931.50	7141.50	1540	1719
30500	4900	735	5635	6260	939.00	7199.00	1550	1730
30600	4940	741	5681	6310	946.50	7256.50	1560	1741
30700	4980	747	5727	6360	954.00	7314.00	1570	1752
30800	5020	753	5773	6410	961.50	7371.50	1580	1763
30900	5060	759	5819	6460	969.00	7429.00	1590	1774
31000	5100	765	5865	6510	976.50	7486.50	1600	1785
31100	5140	771	5911	6560	984.00	7544.00	1610	1796
31200	5180	777	5957	6610	991.50	7601.50	1620	1807
31300	5220	783	6003	6660	999.00	7659.00	1630	1818
31400	5260	789	6049	6710	1006.50	7716.50	1640	1829
31500	5300	795	6095	6760	1014.00	7774.00	1650	1840
31600	5340	801	6141	6810	1021.50	7831.50	1660	1851
31700	5380	807	6187	6860	1029.00	7889.00	1670	1862
31800	5420	813	6233	6910	1036.50	7946.50	1680	1873
31900	5460	819	6279	6960	1044.00	8004.00	1690	1884
32000	5500	825	6325	7010	1051.50	8061.50	1700	1895
32100	5540	831	6371	7060	1059.00	8119.00	1710	1906
32200	5580	837	6417	7110	1066.50	8176.50	1720	1917
32300	5620	843	6463	7160	1074.00	8234.00	1730	1928
32400	5660	849	6509	7210	1081.50	8291.50	1740	1939
32500	5700	855	6555	7260	1089.00	8349.00	1750	1950

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms

H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 32,500 & Rs. 35,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 11%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.10
20	8	1.20	9.20	10	1.50	11.50	2	2.20
30	12	1.80	13.80	15	2.25	17.25	3	3.30
40	16	2.40	18.40	20	3.00	23.00	4	4.40
50	20	3.00	23.00	25	3.75	28.75	5	5.50
60	24	3.60	27.60	30	4.50	34.50	6	6.60
70	28	4.20	32.20	35	5.25	40.25	7	7.70
80	32	4.80	36.80	40	6.00	46.00	8	8.80
90	36	5.40	41.40	45	6.75	51.75	9	9.90
32500	5700	855	6555	7260	1089.00	8349.00	1750	1950
32600	5740	861	6601	7310	1096.50	8406.50	1760	1961
32700	5780	867	6647	7360	1104.00	8464.00	1770	1972
32800	5820	873	6693	7410	1111.50	8521.50	1780	1983
32900	5860	879	6739	7460	1119.00	8579.00	1790	1994
33000	5900	885	6785	7510	1126.50	8636.50	1800	2005
33100	5940	891	6831	7560	1134.00	8694.00	1810	2016
33200	5980	897	6877	7610	1141.50	8751.50	1820	2027
33300	6020	903	6923	7660	1149.00	8809.00	1830	2038
33400	6060	909	6969	7710	1156.50	8866.50	1840	2049
33500	6100	915	7015	7760	1164.00	8924.00	1850	2060
33600	6140	921	7061	7810	1171.50	8981.50	1860	2071
33700	6180	927	7107	7860	1179.00	9039.00	1870	2082
33800	6220	933	7153	7910	1186.50	9096.50	1880	2093
33900	6260	939	7199	7960	1194.00	9154.00	1890	2104
34000	6300	945	7245	8010	1201.50	9211.50	1900	2115
34100	6340	951	7291	8060	1209.00	9269.00	1910	2126
34200	6380	957	7337	8110	1216.50	9326.50	1920	2137
34300	6420	963	7383	8160	1224.00	9384.00	1930	2148
34400	6460	969	7429	8210	1231.50	9441.50	1940	2159
34500	6500	975	7475	8260	1239.00	9499.00	1950	2170
34600	6540	981	7521	8310	1246.50	9556.50	1960	2181
34700	6580	987	7567	8360	1254.00	9614.00	1970	2192
34800	6620	993	7613	8410	1261.50	9671.50	1980	2203
34900	6660	999	7659	8460	1269.00	9729.00	1990	2214
35000	6700	1005	7705	8510	1276.50	9786.50	2000	2225

- Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms

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H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 35,000 & Rs. 37,500

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.25
20	8	1.20	9.20	10	1.50	11.50	2	2.50
30	12	1.80	13.80	15	2.25	17.25	3	3.75
40	16	2.40	18.40	20	3.00	23.00	4	5.00
50	20	3.00	23.00	25	3.75	28.75	5	6.25
60	24	3.60	27.60	30	4.50	34.50	6	7.50
70	28	4.20	32.20	35	5.25	40.25	7	8.75
80	32	4.80	36.80	40	6.00	46.00	8	10.00
90	36	5.40	41.40	45	6.75	51.75	9	11.25
35000	6700	1005	7705	8510	1276.50	9786.50	2000	2225.00
35100	6740	1011	7751	8560	1284.00	9844.00	2010	2237.50
35200	6780	1017	7797	8610	1291.50	9901.50	2020	2250.00
35300	6820	1023	7843	8660	1299.00	9959.00	2030	2262.50
35400	6860	1029	7889	8710	1306.50	10016.50	2040	2275.00
35500	6900	1035	7935	8760	1314.00	10074.00	2050	2287.50
35600	6940	1041	7981	8810	1321.50	10131.50	2060	2300.00
35700	6980	1047	8027	8860	1329.00	10189.00	2070	2312.50
35800	7020	1053	8073	8910	1336.50	10246.50	2080	2325.00
35900	7060	1059	8119	8960	1344.00	10304.00	2090	2337.50
36000	7100	1065	8165	9010	1351.50	10361.50	2100	2350.00
36100	7140	1071	8211	9060	1359.00	10419.00	2110	2362.50
36200	7180	1077	8257	9110	1366.50	10476.50	2120	2375.00
36300	7220	1083	8303	9160	1374.00	10534.00	2130	2387.50
36400	7260	1089	8349	9210	1381.50	10591.50	2140	2400.00
36500	7300	1095	8395	9260	1389.00	10649.00	2150	2412.50
36600	7340	1101	8441	9310	1396.50	10706.50	2160	2425.00
36700	7380	1107	8487	9360	1404.00	10764.00	2170	2437.50
36800	7420	1113	8533	9410	1411.50	10821.50	2180	2450.00
36900	7460	1119	8579	9460	1419.00	10879.00	2190	2462.50
37000	7500	1125	8625	9510	1426.50	10936.50	2200	2475.00
37100	7540	1131	8671	9560	1434.00	10994.00	2210	2487.50
37200	7580	1137	8717	9610	1441.50	11051.50	2220	2500.00
37300	7620	1143	8763	9660	1449.00	11109.00	2230	2512.50
37400	7660	1149	8809	9710	1456.50	11166.50	2240	2525.00
37500	7700	1155	8855	9760	1464.00	11224.00	2250	2537.50

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 37,500 & Rs. 40,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.25
20	8	1.20	9.20	10	1.50	11.50	2	2.50
30	12	1.80	13.80	15	2.25	17.25	3	3.75
40	16	2.40	18.40	20	3.00	23.00	4	5.00
50	20	3.00	23.00	25	3.75	28.75	5	6.25
60	24	3.60	27.60	30	4.50	34.50	6	7.50
70	28	4.20	32.20	35	5.25	40.25	7	8.75
80	32	4.80	36.80	40	6.00	46.00	8	10.00
90	36	5.40	41.40	45	6.75	51.75	9	11.25
37500	7700	1155	8855	9760	1464.00	11224.00	2250	2537.50
37600	7740	1161	8901	9810	1471.50	11281.50	2260	2550.00
37700	7780	1167	8947	9860	1479.00	11339.00	2270	2562.50
37800	7820	1173	8993	9910	1486.50	11396.50	2280	2575.00
37900	7860	1179	9039	9960	1494.00	11454.00	2290	2587.50
38000	7900	1185	9085	10010	1501.50	11511.50	2300	2600.00
38100	7940	1191	9131	10060	1509.00	11569.00	2310	2612.50
38200	7980	1197	9177	10110	1516.50	11626.50	2320	2625.00
38300	8020	1203	9233	10160	1524.00	11684.00	2330	2637.50
38400	8060	1209	9269	10210	1531.50	11741.50	2340	2650.00
38500	8100	1215	9315	10260	1539.00	11799.00	2350	2662.50
38600	8140	1221	9361	10310	1546.50	11856.50	2360	2675.00
38700	8180	1227	9407	10360	1554.00	11914.00	2370	2687.50
38800	8220	1233	9453	10410	1561.50	11971.50	2380	2700.00
38900	8260	1239	9499	10460	1569.00	12029.00	2390	2712.50
39000	8300	1245	9545	10510	1576.50	12086.50	2400	2725.00
39100	8340	1251	9591	10560	1584.00	12144.00	2410	2737.50
39200	8380	1257	9637	10610	1591.50	12201.50	2420	2750.00
39300	8420	1263	9683	10660	1599.00	12259.00	2430	2762.50
39400	8460	1269	9729	10710	1606.50	12316.50	2440	2775.00
39500	8500	1275	9775	10760	1614.00	12374.00	2450	2787.50
39600	8540	1281	9821	10810	1621.50	12431.50	2460	2800.00
39700	8580	1287	9867	10860	1629.00	12489.00	2470	2812.50
39800	8620	1293	9913	10910	1636.50	12546.50	2480	2825.00
39900	8660	1299	9959	10960	1644.00	12604.00	2490	2837.50
40000	8700	1305	10005	11010	1651.50	12661.50	2500	2850.00

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re.1 and Rs 10. respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 40,000 & Rs. 42,500

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A.Y. 1979-80

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income Rs.	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.25
20	8	1.20	9.20	10	1.50	11.50	2	2.50
30	12	1.80	13.80	15	2.25	17.25	3	3.75
40	16	2.40	18.40	20	3.00	23.00	4	5.00
50	20	3.00	23.00	25	3.75	28.75	5	6.25
60	24	3.60	27.60	30	4.50	34.50	6	7.50
70	28	4.20	32.20	35	5.25	40.25	7	8.75
80	32	4.80	36.80	40	6.00	46.00	8	10.00
90	36	5.40	41.40	45	6.75	51.75	9	11.25
40000	8700	1305	10005	11010	1651.50	12661.50	2500	2850.00
40100	8740	1311	10051	11060	1659.00	12719.00	2510	2862.50
40200	8780	1317	10097	11110	1666.50	12776.50	2520	2875.00
40300	8820	1323	10143	11160	1674.00	12834.00	2530	2887.50
40400	8860	1329	10189	11210	1681.50	12891.50	2540	2900.00
40500	8900	1335	10235	11260	1689.00	12949.00	2550	2912.50
40600	8940	1341	10281	11310	1696.50	13006.50	2560	2925.00
40700	8980	1347	10327	11360	1704.00	13064.00	2570	2937.50
40800	9020	1353	10373	11410	1711.50	13121.50	2580	2950.00
40900	9060	1359	10419	11460	1719.00	13179.00	2590	2962.50
41000	9100	1365	10465	11510	1726.50	13236.50	2600	2975.00
41100	9140	1371	10511	11560	1734.00	13294.00	2610	2987.50
41200	9180	1377	10557	11610	1741.50	13351.50	2620	3000.00
41300	9220	1383	10603	11660	1749.00	13409.00	2630	3012.50
41400	9260	1389	10649	11710	1756.50	13466.50	2640	3025.00
41500	9300	1395	10695	11760	1764.00	13524.00	2650	3037.50
41600	9340	1401	10741	11810	1771.50	13581.50	2660	3050.00
41700	9380	1407	10787	11860	1779.00	13639.00	2670	3062.50
41800	9420	1413	10833	11910	1786.50	13696.50	2680	3075.00
41900	9460	1419	10879	11960	1794.00	13754.00	2690	3087.50
42000	9500	1425	10925	12010	1801.50	13811.50	2700	3100.00
42100	9540	1431	10971	12060	1809.00	13869.00	2710	3112.50
42200	9580	1437	11017	12110	1816.50	13926.50	2720	3125.00
42300	9620	1443	11063	12160	1824.00	13984.00	2730	3137.50
42400	9660	1449	11109	12210	1831.50	14041.50	2740	3150.00
42500	9700	1455	11155	12260	1839.00	14099.00	2750	3162.50

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re.1 and Rs 10, respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 42,500 & Rs. 45,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.25
20	8	1.20	9.20	10	1.50	11.50	2	2.50
30	12	1.80	13.80	15	2.25	17.25	3	3.75
40	16	2.40	18.40	20	3.00	23.00	4	5.00
50	20	3.00	23.00	25	3.75	28.75	5	6.25
60	24	3.60	27.60	30	4.50	34.50	6	7.50
70	28	4.20	32.20	35	5.25	40.25	7	8.75
80	32	4.80	36.80	40	6.00	46.00	8	10.00
90	36	5.40	41.40	45	6.75	51.75	9	11.25
42500	9700	1455	11155	12260	1839.00	14099.00	2750	3162.50
42600	9740	1461	11201	12310	1846.50	14156.50	2760	3175.00
42700	9780	1467	11247	12360	1854.00	14214.00	2770	3187.50
42800	9820	1473	11293	12410	1861.50	14271.50	2780	3200.00
42900	9860	1479	11339	12460	1869.00	14329.00	2790	3212.50
43000	9900	1485	11385	12510	1876.50	14386.50	2800	3225.00
43100	9940	1491	11431	12560	1884.00	14444.00	2810	3237.50
43200	9980	1497	11477	12610	1891.50	14501.50	2820	3250.00
43300	10020	1503	11523	12660	1899.00	14559.00	2830	3262.50
43400	10060	1509	11569	12710	1906.50	14616.50	2840	3275.00
43500	10100	1515	11615	12760	1914.00	14674.00	2850	3287.50
43600	10140	1521	11661	12810	1921.50	14731.50	2860	3300.00
43700	10180	1527	11707	12860	1929.00	14789.00	2870	3312.50
43800	10220	1533	11753	12910	1936.50	14846.50	2880	3325.00
43900	10260	1539	11799	12960	1944.00	14904.00	2890	3337.50
44000	10300	1545	11845	13010	1951.50	14961.50	2900	3350.00
44100	10340	1551	11891	13060	1959.00	15019.00	2910	3362.50
44200	10380	1557	11937	13110	1966.50	15076.50	2920	3375.00
44300	10420	1563	11983	13160	1974.00	15134.00	2930	3387.50
44400	10460	1569	12029	13210	1981.50	15191.50	2940	3400.00
44500	10500	1575	12075	13260	1989.00	15249.00	2950	3412.50
44600	10540	1581	12121	13310	1996.50	15306.50	2960	3425.00
44700	10580	1587	12167	13360	2004.00	15364.00	2970	3437.50
44800	10620	1593	12213	13410	2011.50	15421.50	2980	3450.00
44900	10660	1599	12259	13460	2019.00	15479.00	2990	3462.50
45000	10700	1605	12305	13510	2026.50	15536.50	3000	3475.00

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re.1 and Rs 10. respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 45,000 & Rs. 47,500****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.25
20	8	1.20	9.20	10	1.50	11.50	2	2.50
30	12	1.80	13.80	15	2.25	17.25	3	3.75
40	16	2.40	18.40	20	3.00	23.00	4	5.00
50	20	3.00	23.00	25	3.75	28.75	5	6.25
60	24	3.60	27.60	30	4.50	34.50	6	7.50
70	28	4.20	32.20	35	5.25	40.25	7	8.75
80	32	4.80	36.80	40	6.00	46.00	8	10.00
90	36	5.40	41.40	45	6.75	51.75	9	11.25
45000	10700	1605	12305	13510	2026.50	15536.50	3000	3475.00
45100	10740	1611	12351	13560	2034.00	15594.00	3010	3487.50
45200	10780	1617	12397	13610	2041.50	15651.50	3020	3500.00
45300	10820	1623	12443	13660	2049.00	15709.00	3030	3512.50
45400	10860	1629	12489	13710	2056.50	15766.50	3040	3525.00
45500	10900	1635	12535	13760	2064.00	15824.00	3050	3537.50
45600	10940	1641	12581	13810	2071.50	15881.50	3060	3550.00
45700	10980	1647	12627	13860	2079.00	15939.00	3070	3562.50
45800	11020	1653	12673	13910	2086.50	15996.50	3080	3575.00
45900	11060	1659	12719	13960	2094.00	16054.00	3090	3587.50
46000	11100	1665	12765	14010	2101.50	16111.50	3100	3600.00
46100	11140	1671	12811	14060	2109.00	16169.00	3110	3612.50
46200	11180	1677	12857	14110	2116.50	16226.50	3120	3625.00
46300	11220	1683	12903	14160	2124.00	16284.00	3130	3637.50
46400	11260	1689	12949	14210	2131.50	16341.50	3140	3650.00
46500	11300	1695	12995	14260	2139.00	16399.00	3150	3662.50
46600	11340	1701	13041	14310	2146.50	16456.50	3160	3675.00
46700	11380	1707	13087	14360	2154.00	16514.00	3170	3687.50
46800	11420	1713	13133	14410	2161.50	16571.50	3180	3700.00
46900	11460	1719	13179	14460	2169.00	16629.00	3190	3712.50
47000	11500	1725	13225	14510	2176.50	16686.50	3200	3725.00
47100	11540	1731	13271	14560	2184.00	16744.00	3210	3737.50
47200	11580	1737	13317	14610	2191.50	16801.50	3220	3750.00
47300	11620	1743	13363	14660	2199.00	16859.00	3230	3762.50
47400	11660	1749	13409	14710	2206.50	16916.50	3240	3775.00
47500	11700	1755	14355	14760	2214.00	16974.00	3250	3787.50

- Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Re.1 and Rs 10. respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 47,500 & Rs. 50,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 40% Surcharge 15% Income Tax 50% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	4	0.60	4.60	5	0.75	5.75	1	1.25
20	8	1.20	9.20	10	1.50	11.50	2	2.50
30	12	1.80	13.80	15	2.25	17.25	3	3.75
40	16	2.40	18.40	20	3.00	23.00	4	5.00
50	20	3.00	23.00	25	3.75	28.75	5	6.25
60	24	3.60	27.60	30	4.50	34.50	6	7.50
70	28	4.20	32.20	35	5.25	40.25	7	8.75
80	32	4.80	36.80	40	6.00	46.00	8	10.00
90	36	5.40	41.40	45	6.75	51.75	9	11.25
47500	11700	1755	13455	14760	2214.00	16974.00	3250	3787.50
47600	11740	1761	13501	14810	2221.50	17031.50	3260	3800.00
47700	11780	1767	13547	14860	2229.00	17089.00	3270	3812.50
47800	11820	1773	13593	14910	2236.50	17146.50	3280	3825.00
47900	11860	1779	13639	14960	2244.00	17204.00	3290	3837.50
48000	11900	1785	13685	15010	2251.50	17261.50	3300	3850.00
48100	11940	1791	13731	15060	2259.00	17319.00	3310	3862.50
48200	11980	1797	13777	15110	2266.50	17376.50	3320	3875.00
48300	12020	1803	13823	15160	2274.00	17434.00	3330	3887.50
48400	12060	1809	13869	15210	2281.50	17491.50	3340	3900.00
48500	12100	1815	13915	15260	2289.00	17549.00	3350	3912.50
48600	12140	1821	13961	15310	2296.50	17606.50	3360	3925.00
48700	12180	1827	14007	15360	2304.00	17664.00	3370	3937.50
48800	12220	1833	14053	15410	2311.50	17721.50	3380	3950.00
48900	12260	1839	14099	15460	2319.00	17779.00	3390	3962.50
49000	12300	1845	14145	15510	2326.50	17836.50	3400	3975.00
49100	12340	1851	14191	15560	2334.00	17894.00	3410	3987.50
49200	12380	1857	14237	15610	2341.50	17951.50	3420	4000.00
49300	12420	1863	14283	15660	2349.00	18009.00	3430	4012.50
49400	12460	1869	14329	15710	2356.50	18066.50	3440	4025.00
49500	12500	1875	14375	15760	2364.00	18124.00	3450	4037.50
49600	12540	1881	14421	15810	2371.50	18181.50	3460	4050.00
49700	12580	1887	14467	15860	2379.00	18239.00	3470	4062.50
49800	12620	1893	14513	15910	2386.50	18296.50	3480	4075.00
49900	12660	1899	14559	15960	2394.00	18354.00	3490	4087.50
50000	12700	1905	14605	16010	2401.50	18411.50	3500	4100.00

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Rs. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 50,000 & Rs. 55,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 50% Surcharge 15% Income Tax 55% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5	0.75	5.75	5.50	0.83	6.33	1	1.25
20	10	1.50	11.50	11.00	1.65	12.65	2	2.50
30	15	2.25	17.25	16.50	2.48	18.98	3	3.75
40	20	3.00	23.00	22.00	3.30	25.30	4	5.00
50	25	3.75	28.75	27.50	4.13	31.63	5	6.25
60	30	4.50	34.50	33.00	4.95	37.95	6	7.50
70	35	5.25	40.25	38.50	5.78	44.28	7	8.75
80	40	6.00	46.00	44.00	6.60	50.60	8	10.00
90	45	6.75	51.75	49.50	7.43	56.93	9	11.25
100	50	7.50	57.50	55.00	8.25	63.25	10	12.50
110	55	8.25	63.25	60.50	9.08	69.58	11	13.75
120	60	9.00	69.00	66.00	9.90	75.90	12	15.00
130	65	9.75	74.75	71.50	10.73	82.23	13	16.25
140	70	10.50	80.50	77.00	11.55	88.55	14	17.50
150	75	11.25	86.25	82.50	12.38	94.88	15	18.75
160	80	12.00	92.00	88.00	13.20	101.20	16	20.00
170	85	12.75	97.75	93.50	14.03	107.53	17	21.25
180	90	13.50	103.50	99.00	14.85	113.85	18	22.50
190	95	14.25	109.25	104.50	15.68	120.18	19	23.75
50000	12700	1905	14605	16010	2401.50	18411.50	3500	4100
50200	12800	1920	14720	16120	2418.00	18538.00	3520	4125
50400	12900	1935	14835	16230	2434.50	18664.50	3540	4150
50600	13000	1950	14950	16340	2451.00	18791.00	3560	4175
50800	13100	1965	15065	16450	2467.50	18917.50	3580	4200
51000	13200	1980	15180	16560	2484.00	19044.00	3600	4225
51200	13300	1995	15295	16670	2500.50	19170.50	3620	4250
51400	13400	2010	15410	16780	2517.00	19297.00	3640	4275
51600	13500	2025	15525	16890	2533.50	19423.50	3660	4300
51800	13600	2040	15640	17000	2550.00	19550.00	3680	4325
52000	13700	2055	15755	17110	2566.50	19676.50	3700	4350
52200	13800	2070	15870	17220	2583.00	19803.00	3720	4375
52400	13900	2085	15985	17330	2599.50	19929.50	3740	4400
52600	14000	2100	16100	17440	2616.00	20056.00	3760	4425
52800	14100	2115	16215	17550	2632.50	20182.50	3780	4450
53000	14200	2130	16330	17660	2649.00	20309.00	3800	4475
53200	14300	2145	16445	17770	2665.50	20435.50	3820	4500
53400	14400	2160	16560	17880	2682.00	20562.00	3840	4525
53600	14500	2175	16675	17990	2698.50	20688.50	3860	4550
53800	14600	2190	16790	18100	2715.00	20815.00	3880	4575
54000	14700	2205	16905	18210	2731.50	20941.50	3900	4600
54200	14800	2220	17020	18320	2748.00	21068.00	3920	4625
54400	14900	2235	17135	18430	2764.50	21194.50	3940	4650
54600	15000	2250	17250	18540	2781.00	21321.00	3960	4675
54800	15100	2265	17365	18650	2797.50	21447.50	3980	4700
55000	15200	2280	17480	18760	2814.00	21574.00	4000	4725

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts,
(iii) The total tax and C. D. S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 55,000 & Rs. 60,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80****Slab Rate : Income Tax 50% Surcharge 15% Income Tax 55% Surcharge 15% C.D.S. 10% C.D.S. 12%**

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5	0.75	5.75	5.50	0.83	6.33	1	1.25
20	10	1.50	11.50	11.00	1.65	12.65	2	2.50
30	15	2.25	17.25	16.50	2.48	18.98	3	3.75
40	20	3.00	23.00	22.00	3.30	25.30	4	5.00
50	25	3.75	26.75	27.50	4.13	31.63	5	6.25
60	30	4.50	34.50	33.00	4.95	37.95	6	7.50
70	35	5.25	40.25	38.50	5.78	44.28	7	8.75
80	40	6.00	46.00	44.00	6.60	50.60	8	10.00
90	45	6.75	51.75	49.50	7.43	56.93	9	11.25
100	50	7.50	57.50	55.00	8.25	63.25	10	12.50
110	55	8.25	63.25	60.50	9.08	69.58	11	13.75
120	60	9.00	69.00	66.00	9.90	75.90	12	15.00
130	65	9.75	74.75	71.50	10.73	82.23	13	16.25
140	70	10.50	80.50	77.00	11.55	88.55	14	17.50
150	75	11.25	86.25	82.50	12.38	94.88	15	18.75
160	80	12.00	92.00	88.00	13.20	101.20	16	20.00
170	85	12.75	97.75	93.50	14.03	107.53	17	21.25
180	90	13.50	103.50	99.00	14.85	113.85	18	22.50
190	95	14.25	109.25	104.50	15.68	120.18	19	23.75
55000	15200	2280	17480	18760	2814.00	21574.00	4000	4725
55200	15300	2295	17595	18870	2830.50	21700.50	4020	4750
55400	15400	2310	17710	18980	2847.00	21827.00	4040	4775
55600	15500	2325	17825	19090	2863.50	21953.50	4060	4800
55800	15600	2340	17940	19200	2880.00	22080.00	4080	4825
56000	15700	2355	18055	19310	2896.50	22206.50	4100	4850
56200	15800	2370	18170	19420	2913.00	22333.00	4120	4875
56400	15900	2385	18285	19530	2929.50	22459.50	4140	4900
56600	16000	2400	18400	19640	2946.00	22586.00	4160	4925
56800	16100	2415	18515	19750	2962.50	22712.50	4180	4950
57000	16200	2430	18630	19860	2979.00	22839.00	4200	4975
57200	16300	2445	18745	19970	2995.50	22965.50	4220	5000
57400	16400	2460	18860	20080	3012.00	23092.00	4240	5025
57600	16500	2475	18975	20190	3028.50	23218.50	4260	5050
57800	16600	2490	19090	20300	3045.00	23345.00	4280	5075
58000	16700	2505	19205	20410	3061.50	23471.50	4300	5100
58200	16800	2520	19320	20520	3078.00	23598.00	4320	5125
58400	16900	2535	19435	20630	3094.50	23724.50	4340	5150
58600	17000	2550	19550	20740	3111.00	23851.00	4360	5175
58800	17100	2565	19665	20850	3127.50	23977.50	4380	5200
59000	17200	2580	19780	20960	3144.00	24104.00	4400	5225
59200	17300	2595	19895	21070	3160.50	24230.50	4420	5250
59400	17400	2610	20010	21180	3177.00	24357.00	4440	5275
59600	17500	2625	20125	21290	3193.50	24483.50	4460	5300
59800	17600	2640	20240	21400	3210.00	24610.00	4480	5325
60000	17700	2655	20355	21510	3226.50	24736.50	4500	5350

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Rs 1 and Rs 10 respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 60,000 & Rs. 65,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 50% Surcharge 15% Income Tax 55% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5	0.75	5.75	5.50	0.83	6.33	1	1.25
20	10	1.50	11.50	11.00	1.65	12.65	2	2.50
30	15	2.25	17.25	16.50	2.48	18.98	3	3.75
40	20	3.00	23.00	22.00	3.30	25.30	4	5.00
50	25	3.75	28.75	27.50	4.13	31.63	5	6.25
60	30	4.50	34.50	33.00	4.95	37.95	6	7.50
70	35	5.25	40.25	38.50	5.78	44.28	7	8.75
80	40	6.00	46.00	44.00	6.60	50.60	8	10.00
90	45	6.75	51.75	49.50	7.43	56.93	9	11.25
100	50	7.50	57.50	55.00	8.25	63.25	10	12.50
110	55	8.25	63.25	60.50	9.08	69.58	11	13.75
120	60	9.00	69.00	66.00	9.90	75.90	12	15.00
130	65	9.75	74.75	71.50	10.73	82.23	13	16.25
140	70	10.50	80.50	77.00	11.55	88.55	14	17.50
150	75	11.25	86.25	82.50	12.38	94.88	15	18.75
160	80	12.00	92.00	88.00	13.20	101.20	16	20.00
170	85	12.75	97.75	93.50	14.03	107.53	17	21.25
180	90	13.50	103.50	99.00	14.85	113.85	18	22.50
190	95	14.25	109.25	104.50	15.68	120.18	19	23.75
60000	17700	2655	20355	21510	3226.50	24736.50	4500	5350
60200	17800	2670	20470	21620	3243.00	24863.00	4520	5375
60400	17900	2685	20585	21730	3259.50	24989.50	4540	5400
60600	18000	2700	20700	21840	3276.00	25116.00	4560	5425
60800	18100	2715	20815	21950	3292.50	25242.50	4580	5450
61000	18200	2730	20930	22060	3309.00	25369.00	4600	5475
61200	18300	2745	21045	22170	3325.50	25495.50	4620	5500
61400	18400	2760	21160	22280	3342.00	25622.00	4640	5525
61600	18500	2775	21275	22390	3358.50	25748.50	4660	5550
61800	18600	2790	21390	22500	3375.00	25875.00	4680	5575
62000	18700	2805	21505	22610	3391.50	26001.50	4700	5600
62200	18800	2820	21620	22720	3408.00	26128.00	4720	5625
62400	18900	2835	21735	22830	3424.50	26254.50	4740	5650
62600	19000	2850	21850	22940	3441.00	26381.00	4760	5675
62800	19100	2865	21965	23050	3457.50	26507.50	4780	5700
63000	19200	2880	22080	23160	3474.00	26634.00	4800	5725
63200	19300	2895	22195	23270	3490.50	26760.50	4820	5750
63400	19400	2910	22310	23380	3507.00	26887.00	4840	5775
63600	19500	2925	22425	23490	3523.50	27013.50	4860	5800
63800	19600	2940	22540	23600	3540.00	27140.00	4880	5825
64000	19700	2955	22655	23710	3556.50	27266.50	4900	5850
64200	19800	2970	22770	23820	3573.00	27393.00	4920	5875
64400	19900	2985	22885	23930	3589.50	27519.50	4940	5900
64600	20000	3000	23000	24040	3606.00	27646.00	4960	5925
64800	20100	3015	23115	24150	3622.50	27772.50	4980	5950
65000	20200	3030	23230	24260	3639.00	27899.00	5000	5975

Notes :—(i) C. D. S. has been calculated on taxable income assuming it to be current income.
(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.
(iii) The total tax and C. D. S. are to be rounded off to the nearest multiple of Re. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 65,000 & Rs. 70,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 50% Surcharge 15% Income Tax 55% Surcharge 15% C.D.S. 10% C.D.S. 12.5%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5	0.75	5.75	5.50	0.83	6.33	1	1.25
20	10	1.50	11.50	11.00	1.65	12.65	2	2.50
30	15	2.25	17.25	16.50	2.48	18.98	3	3.75
40	20	3.00	23.00	22.00	3.30	25.30	4	5.00
50	25	3.75	28.75	27.50	4.13	31.63	5	6.25
60	30	4.50	34.50	33.00	4.95	37.95	6	7.50
70	35	5.25	40.25	38.50	5.78	44.28	7	8.75
80	40	6.00	46.00	44.00	6.60	50.60	8	10.00
90	45	6.75	51.75	49.50	7.43	56.93	9	11.25
100	50	7.50	57.50	55.00	8.25	63.25	10	12.50
110	55	8.25	63.25	60.50	9.08	69.58	11	13.75
120	60	9.00	69.00	66.00	9.90	75.90	12	15.00
130	65	9.75	74.75	71.50	10.73	82.23	13	16.25
140	70	10.50	80.50	77.00	11.55	88.55	14	17.50
150	75	11.25	86.25	82.50	12.38	94.88	15	18.75
160	80	12.00	92.00	88.00	13.20	101.20	16	20.00
170	85	12.75	97.75	93.50	14.03	107.53	17	21.25
180	90	13.50	103.50	99.00	14.85	113.85	18	22.50
190	95	14.25	109.25	104.50	15.68	120.18	19	23.75
65000	20200	3030	23230	24260	3639.00	27899.00	5000	5975
65200	20300	3045	23345	24370	3655.50	28025.50	5020	6000
65400	20400	3060	23460	24480	3672.00	28152.00	5040	6075
65600	20500	3075	23575	24590	3688.50	28278.50	5060	6050
65800	20600	3090	23690	24700	3705.00	28405.00	5080	6057
66000	20700	3105	23805	24810	3721.50	28531.50	5100	6100
66200	20800	3120	23920	24920	3738.00	28658.00	5120	6125
66400	20900	3135	24035	25030	3754.50	28784.50	5140	6150
66600	21000	3150	24150	25140	3771.00	28911.00	5160	6175
66800	21100	3165	24265	25250	3787.50	29037.50	5180	6200
67000	21200	3180	24380	25360	3804.00	29164.00	5200	6225
67200	21300	3195	24495	25470	3820.50	29290.50	5220	6250
67400	21400	3210	24610	25580	3837.00	29417.00	5240	6275
67600	21500	3225	24725	25690	3853.50	29543.50	5260	6300
67800	21600	3240	24840	25800	3870.00	29670.00	5280	6325
68000	21700	3255	24955	25910	3886.50	29796.50	5300	6350
68200	21800	3270	25070	26020	3903.00	29923.00	5320	6375
68400	21900	3285	25185	26130	3919.50	30049.50	5340	6400
68600	22000	3300	25300	26240	3936.00	30176.00	5360	6425
68800	22100	3315	25415	26350	3952.50	30302.50	5380	6450
69000	22200	3330	25530	26460	3969.00	30429.00	5400	6475
69200	22300	3345	25645	26570	3985.50	30555.50	5420	6500
69400	22400	3360	25760	26680	4002.00	30682.00	5440	6525
69600	22500	3375	25875	26790	4018.50	30808.50	5460	6550
69800	22600	3390	25990	26900	4035.00	30935.00	5480	6575
70000	22700	3405	26105	27010	4051.50	31061.50	5500	6600

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.
(iii) The total-tax and C.D.S. are to be rounded off to the nearest multiple of Rs. 1 and Rs. 10 respectively.

INCOME-TAX & SURCHARGE for individuals, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 70,000 & Rs. 75,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 55% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5.50	0.83	6.33	6	0.90	6.90	1.20	1.50
20	11.00	1.65	12.65	12	1.80	13.80	2.40	3.00
30	16.50	2.48	18.98	18	2.70	20.70	3.60	4.50
40	22.00	3.30	25.30	24	3.60	27.60	4.80	6.00
50	27.50	4.13	31.63	30	4.50	34.50	6.00	7.50
60	33.00	4.95	37.95	36	5.40	41.40	7.20	9.00
70	38.50	5.78	44.28	42	6.30	48.30	8.40	10.50
80	44.00	6.60	50.60	48	7.20	55.20	9.60	12.00
90	49.50	7.43	56.93	54	8.10	62.10	10.80	13.50
100	55.00	8.25	63.25	60	9.00	69.00	12.00	15.00
110	60.50	9.08	69.58	66	9.90	75.90	13.20	16.50
120	66.00	9.90	75.90	72	10.80	82.80	14.40	18.00
130	71.50	10.73	82.23	78	11.70	89.70	15.60	19.50
140	77.00	11.55	88.55	84	12.60	96.60	16.80	21.00
150	82.50	12.38	94.88	90	13.50	103.50	18.00	22.50
160	88.00	13.20	101.20	96	14.40	110.40	19.20	24.00
170	93.50	14.03	107.53	102	15.30	117.30	20.40	25.50
180	99.00	14.85	113.85	108	16.20	124.20	21.60	27.00
190	104.50	15.68	120.18	114	17.10	131.10	22.80	28.50
70000	22700	3405.00	26105.00	27010	4051.50	31061.50	5500	6600
70200	22810	3421.50	26231.50	27130	4069.50	31199.50	5524	6630
70400	22920	3438.00	26358.00	27250	4087.50	31337.50	5548	6660
70600	23030	3454.50	26484.50	27370	4105.50	31475.50	5572	6690
70800	23140	3471.00	26611.00	27490	4123.50	31613.50	5596	6720
71000	23250	3487.50	26737.50	27610	4141.50	31751.50	5620	6750
71200	23360	3504.00	26864.00	27730	4159.50	31889.50	5644	6780
71400	23470	3520.50	26990.50	27850	4177.50	32027.50	5668	6810
71600	23580	3537.00	27117.00	27970	4195.50	32165.50	5692	6840
71800	23690	3553.50	27243.50	28090	4213.50	32303.50	5716	6870
72000	23800	3570.00	27370.00	28210	4231.50	32441.50	5740	6900
72200	23910	3586.50	27496.50	28330	4249.50	32579.50	5764	6930
72400	24020	3603.00	27623.00	28450	4267.50	32717.50	5788	6960
72600	24130	3619.50	27749.50	28570	4285.50	32855.50	5812	6990
72800	24240	3636.00	27876.00	28690	4303.50	32993.50	5836	7020
73000	24350	3652.50	28002.50	28810	4321.50	33131.50	5860	7050
73200	24460	3669.00	28129.00	28930	4339.50	33269.50	5884	7080
73400	24570	3685.50	28255.50	29050	4357.50	33407.50	5908	7110
73600	24680	3702.00	28382.00	29170	4375.50	33545.50	5932	7140
73800	24790	3718.50	28508.50	29290	4393.50	33683.50	5956	7170
74000	24900	3735.00	28635.00	29410	4411.50	33821.50	5980	7200
74200	25010	3751.50	28761.50	29530	4429.50	33959.50	6004	7230
74400	25120	3768.00	28888.00	29650	4447.50	34097.50	6028	7260
74600	25230	3784.50	29014.50	29770	4465.50	34235.50	6052	7290
74800	25340	3801.00	29141.00	29890	4483.50	34373.50	6076	7320
75000	25450	3817.50	29267.50	30010	4501.50	34511.50	6100	7350

Notes - (i) C.D.S. has been calculated on taxable income assuming it to be current income.

(ii) C.D.S. is payable by individuals (citizens of India), H.U.F. and A.O.P. other than companies.

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 75,000 & Rs. 80,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 55% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5.50	0.83	6.33	6	0.90	6.90	1.20	1.50
20	11.00	1.65	12.65	12	1.80	13.80	2.40	3.00
30	16.50	2.48	18.98	18	2.70	20.70	3.60	4.50
40	22.00	3.30	25.30	24	3.60	27.60	4.80	6.00
50	27.50	4.13	31.63	30	4.50	34.50	6.00	7.50
60	33.00	4.95	37.95	36	5.40	41.40	7.20	9.00
70	38.50	5.78	44.28	42	6.30	48.30	8.40	10.50
80	44.00	6.60	50.60	48	7.20	55.20	9.60	12.00
90	49.50	7.43	56.93	54	8.10	62.10	10.80	13.50
100	55.00	8.25	63.25	60	9.00	69.00	12.00	15.00
110	60.50	9.08	69.58	66	9.90	75.90	13.20	16.50
120	66.00	9.90	75.90	72	10.80	82.80	14.40	18.00
130	71.50	10.73	82.23	78	11.70	89.70	15.60	19.50
140	77.00	11.55	88.55	84	12.60	96.60	16.80	21.00
150	82.50	12.38	94.88	90	13.50	103.50	18.00	22.50
160	88.00	13.20	101.20	96	14.40	110.40	19.20	24.00
170	93.50	14.03	107.53	102	15.30	117.30	20.40	25.50
180	99.00	14.85	113.85	108	16.20	124.20	21.60	27.00
190	104.50	15.68	120.18	114	17.10	131.10	22.80	28.50
75000	25450	3817.50	29267.50	30010	4501.50	34511.50	6100	7350
75200	25560	3834.00	29394.00	30130	4519.50	34649.50	6124	7380
75400	25670	3850.50	29520.50	30250	4537.50	34787.50	6148	7410
75600	25780	3867.00	29647.00	30370	4555.50	34925.50	6172	7440
75800	25890	3883.50	29773.50	30490	4573.50	35063.50	6196	7470
76000	26000	3900.00	29900.00	30610	4591.50	35201.50	6220	7500
76200	26110	3916.50	30026.50	30730	4609.50	35339.50	6244	7530
76400	26220	3933.00	30153.00	30850	4627.50	35477.50	6268	7560
76600	26330	3949.50	30279.50	30970	4645.50	35615.50	6292	7590
76800	26440	3966.00	30406.00	31090	4663.50	35753.50	6316	7620
77000	26550	3982.50	30532.50	31210	4681.50	35891.50	6340	7650
77200	26660	3999.00	30659.00	31330	4699.50	36029.50	6364	7680
77400	26770	4015.50	30785.50	31450	4717.50	36167.50	6388	7710
77600	26880	4032.00	30912.00	31570	4735.50	36305.50	6412	7740
77800	26990	4048.50	31038.50	31690	4753.50	36443.50	6436	7770
78000	27100	4065.00	31165.00	31810	4771.50	36581.50	6460	7800
78200	27210	4081.50	31291.50	31930	4789.50	36719.50	6484	7830
78400	27320	4098.00	31418.00	32050	4807.50	36857.50	6508	7860
78600	27430	4114.50	31544.50	32170	4825.50	36995.50	6532	7890
78800	27540	4131.00	31671.00	32290	4843.50	37133.50	6556	7920
79000	27650	4147.50	31797.50	32410	4861.50	37271.50	6580	7950
79200	27760	4164.00	31924.00	32530	4879.50	37409.50	6604	7980
79400	27870	4180.50	32050.50	32650	4897.50	37547.50	6628	8010
79600	27980	4197.00	32177.00	32770	4915.50	37685.50	6652	8040
79800	28090	4213.50	32303.50	32890	4933.50	37823.50	6676	8070
80000	28200	4230.00	32430.00	33010	4951.50	37961.50	6700	8100

Notes — (i) C. D. S. has been calculated on taxable income assuming it to be current income.

(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 80,000 & Rs. 85,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 55% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5.50	0.83	6.33	6	0.90	6.90	1.20	1.50
20	11.00	1.65	12.65	12	1.80	13.80	2.40	3.00
30	16.50	2.48	18.98	18	2.70	20.70	3.60	4.50
40	22.00	3.30	25.30	24	3.60	27.60	4.80	6.00
50	27.50	4.13	31.63	30	4.50	34.50	6.00	7.50
60	33.00	4.95	37.95	36	5.40	41.40	7.20	9.00
70	38.50	5.78	44.28	42	6.30	48.30	8.40	10.50
80	44.00	6.60	50.60	48	7.20	55.20	9.60	12.00
90	49.50	7.43	56.93	54	8.10	62.10	10.80	13.50
100	55.00	8.25	63.25	60	9.00	69.00	12.00	15.00
110	60.50	9.08	69.58	66	9.90	75.90	13.20	16.50
120	66.00	9.90	75.90	72	10.80	82.80	14.40	18.00
130	71.50	10.73	82.23	78	11.70	89.70	15.60	19.50
140	77.00	11.55	88.55	84	12.60	96.60	16.80	21.00
150	82.50	12.38	94.88	90	13.50	103.50	18.00	22.50
160	88.00	13.20	101.20	96	14.40	110.40	19.20	24.00
170	93.50	14.03	107.53	102	15.30	117.30	20.40	25.50
180	99.00	14.85	113.85	108	16.20	124.20	21.60	27.00
190	104.50	15.68	120.18	114	17.10	131.10	22.80	28.50
80000	28200	4230.00	32430.00	33010	4951.50	37961.50	6700	8100
80200	28310	4246.50	32556.50	33130	4969.50	38099.50	6724	8130
80400	28420	4263.00	32683.00	33250	4987.50	38237.50	6748	8160
80600	28530	4279.50	32809.50	33370	5005.50	38375.50	6772	8190
80800	28640	4296.00	32936.00	33490	5023.50	38513.50	6796	8220
81000	28750	4312.50	33062.50	33610	5041.50	38651.50	6820	8250
81200	28860	4329.00	33189.00	33730	5059.50	38789.50	6844	8280
81400	28970	4345.50	33315.50	33850	5077.50	38927.50	6868	8310
81600	29080	4362.00	33442.00	33970	5095.50	39065.50	6892	8340
81800	29190	4378.50	33568.50	34090	5113.50	39203.50	6916	8370
82000	29300	4395.00	33695.00	34210	5131.50	39341.50	6940	8400
82200	29410	4411.50	33821.50	34330	5149.50	39479.50	6964	8430
82400	29520	4428.00	33948.00	34450	5167.50	39617.50	6988	8460
82600	29630	4444.50	34074.50	34570	5185.50	39755.50	7012	8490
82800	29740	4461.00	34201.00	34690	5203.50	39893.50	7036	8520
83000	29850	4477.50	34327.50	34810	5221.50	40031.50	7060	8550
83200	29960	4494.00	34454.00	34930	5239.50	40169.50	7084	8580
83400	30070	4510.50	34580.50	35050	5257.50	40307.50	7108	8610
83600	30180	4527.00	34707.00	35170	5275.50	40445.50	7132	8640
83800	30290	4543.50	34833.50	35290	5293.50	40583.50	7156	8670
84000	30400	4560.00	34960.00	35410	5311.50	40721.50	7180	8700
84200	30510	4576.50	35086.50	35530	5329.50	40859.50	7204	8730
84400	30620	4593.00	35213.00	35650	5347.50	40997.50	7228	8760
84600	30730	4609.50	35339.50	35770	5365.50	41135.50	7252	8790
84800	30840	4626.00	35466.00	35890	5383.50	41273.50	7276	8820
85000	30950	4642.50	35592.50	36010	5401.50	41411.50	7300	8850

(*) C.D.S. has been calculated on taxable income assuming it to be current income.

**INCOME-TAX & SURCHARGE for individual, unregistered firms
H.U.F. and A.O.P. other than companies**

WHERE TAXABLE INCOME IS BETWEEN Rs. 85,000 & Rs. 90,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 55% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5.50	0.83	6.33	6	0.90	6.90	1.20	1.50
20	11.00	1.65	12.65	12	1.80	13.80	2.40	3.00
30	16.50	2.48	18.98	18	2.70	20.70	3.60	4.50
40	22.00	3.30	25.30	24	3.60	27.60	4.80	6.00
50	27.50	4.13	31.63	30	4.50	34.50	6.00	7.50
60	33.00	4.95	37.95	36	5.40	41.40	7.20	9.00
70	38.50	5.78	44.28	42	6.30	48.30	8.40	10.50
80	44.00	6.60	50.60	48	7.20	55.20	9.60	12.00
90	49.50	7.43	56.93	54	8.10	62.10	10.80	13.50
100	55.00	8.25	63.25	60	9.00	69.00	12.00	15.00
110	60.50	9.08	69.58	66	9.90	75.90	13.20	16.50
120	66.00	9.90	75.90	72	10.80	82.80	14.40	18.00
130	71.50	10.73	82.23	78	11.70	89.70	15.60	19.50
140	77.00	11.55	88.55	84	12.60	96.60	16.80	21.00
150	82.50	12.38	94.88	90	13.50	103.50	18.00	22.50
160	88.00	13.20	101.20	96	14.40	110.40	19.20	24.00
170	93.50	14.03	107.53	102	15.30	117.30	20.40	25.50
180	99.00	14.85	113.85	108	16.20	124.20	21.60	27.00
190	104.50	15.68	120.18	114	17.10	131.10	22.80	28.50
85000	30950	4642.50	35592.50	36010	5401.50	41411.50	7300	8850
85200	31060	4659.00	35719.00	36130	5419.50	41549.50	7324	8880
85400	31170	4675.50	35845.50	36250	5437.50	41687.50	7348	8910
85600	31280	4692.00	35972.00	36370	5455.50	41825.50	7372	8940
85800	31390	4708.50	36098.50	36490	5473.50	41963.50	7396	8970
86000	31500	4725.00	36225.00	36610	5491.50	42101.50	7420	9000
86200	31610	4741.50	36351.50	36730	5509.50	42239.50	7444	9030
86400	31720	4758.00	36478.00	36850	5527.50	42377.50	7468	9060
86600	31830	4774.50	36604.50	36970	5545.50	42515.50	7492	9090
86800	31940	4791.00	36731.00	37090	5563.50	42653.50	7516	9120
87000	32050	4807.50	36857.50	37210	5581.50	42791.50	7540	9150
87200	32160	4824.00	36984.00	37330	5599.50	42929.50	7564	9180
87400	32270	4840.50	37110.50	37450	5617.50	43067.50	7588	9210
87600	32380	4857.00	37237.00	37570	5635.50	43205.50	7612	9240
87800	32490	4873.50	37363.50	37690	5653.50	43343.50	7636	9270
88000	32600	4890.00	37490.00	37810	5671.50	43481.50	7660	9300
88200	32710	4906.50	37616.50	37930	5689.50	43619.50	7684	9330
88400	32820	4923.00	37743.00	38050	5707.50	43757.50	7708	9360
88600	32930	4939.50	37869.50	38170	5725.50	43895.50	7732	9390
88800	33040	4956.00	37996.00	38290	5743.50	44033.50	7756	9420
89000	33150	4972.50	38122.50	38410	5761.50	44171.50	7780	9450
89200	33260	4989.00	38249.00	38530	5779.50	44309.50	7804	9480
89400	33370	5005.50	38375.50	38650	5797.50	44447.50	7828	9510
89600	33480	5022.00	38502.00	38770	5815.50	44585.50	7852	9540
89800	33590	5038.50	38628.50	38890	5833.50	44723.50	7876	9570
90000	33700	5055.00	38755.00	39010	5851.50	44861.50	7900	9600

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 90,000 & Rs. 95,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 55% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5.50	0.83	6.33	6	0.90	6.90	1.20	1.50
20	11.00	1.65	12.65	12	1.80	13.80	2.40	3.00
30	16.50	2.48	18.98	18	2.70	20.70	3.60	4.50
40	22.00	3.30	25.30	24	3.60	27.60	4.80	6.00
50	27.50	4.13	31.63	30	4.50	34.50	6.00	7.50
60	33.00	4.95	37.95	36	5.40	41.40	7.20	9.00
70	38.50	5.78	44.28	42	6.30	48.30	8.40	10.50
80	44.00	6.60	50.60	48	7.20	55.20	9.60	12.00
90	49.50	7.43	56.93	54	8.10	62.10	10.80	13.50
100	55.00	8.25	63.25	60	9.00	69.00	12.00	15.00
110	60.50	9.08	69.58	66	9.90	75.90	13.20	16.50
120	66.00	9.90	75.90	72	10.80	82.80	14.40	18.00
130	71.50	10.73	82.23	78	11.70	89.70	15.60	19.50
140	77.00	11.55	88.55	84	12.60	96.60	16.80	21.00
150	82.50	12.38	94.88	90	13.50	103.50	18.00	22.50
160	88.00	13.20	101.20	96	14.40	110.40	19.20	24.00
170	93.50	14.03	107.53	102	15.30	117.30	20.40	25.50
180	99.00	14.85	113.85	108	16.20	124.20	21.60	27.00
190	104.50	15.68	120.18	114	17.10	131.10	22.80	28.50
90000	33700	5055.00	38755.00	39010	5851.50	44861.50	7900	9600
90200	33810	5071.50	38881.50	39130	5869.50	44999.50	7924	9630
90400	33920	5088.00	39008.00	39250	5887.50	45137.50	7948	9660
90600	34030	5104.50	39134.50	39370	5905.50	45275.50	7972	9690
90800	34140	5121.00	39261.00	39490	5923.50	45413.50	7996	9720
91000	34250	5137.50	39387.50	39610	5941.50	45551.50	8020	9750
91200	34360	5154.00	39514.00	39730	5959.50	45689.50	8044	9780
91400	34470	5170.50	39640.50	39850	5977.50	45827.50	8068	9810
91600	34580	5187.00	39767.00	39970	5995.50	45965.50	8092	9840
91800	34690	5203.50	39893.50	40090	6013.50	46103.50	8116	9870
92000	34800	5220.00	40020.00	40210	6031.50	46241.50	8140	9900
92200	34910	5236.50	40146.50	40330	6049.50	46379.50	8164	9930
92400	35020	5253.00	40273.00	40450	6067.50	46517.50	8188	9960
92600	35130	5269.50	40399.50	40570	6085.50	46655.50	8212	9990
92800	35240	5286.00	40526.00	40690	6103.50	46793.50	8236	10020
93000	35350	5302.50	40652.50	40810	6121.50	46931.50	8260	10050
93200	35460	5319.00	40779.00	40930	6139.50	47069.50	8284	10080
93400	35570	5335.50	40905.50	41050	6157.50	47207.50	8308	10110
93600	35680	5352.00	41032.00	41170	6175.50	47345.50	8332	10140
93800	35790	5368.50	41158.50	41290	6193.50	47483.50	8356	10170
94000	35900	5385.00	41285.00	41410	6211.50	47621.50	8380	10200
94200	36010	5401.50	41411.50	41530	6229.50	47759.50	8404	10230
94400	36120	5418.00	41538.00	41650	6247.50	47897.50	8428	10260
94600	36230	5434.50	41664.50	41770	6265.50	48035.50	8452	10290
94800	36340	5451.00	41791.00	41890	6283.50	48173.50	8476	10320
95000	36450	5467.50	41917.50	42010	6301.50	48311.50	8500	10350

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) Taxable by individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.

INCOME-TAX & SURCHARGE for individuals, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 95,000 & Rs. 1,00,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 55% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	5.50	0.83	6.33	6	0.90	6.90	1.20	1.50
20	11.00	1.65	12.65	12	1.80	13.80	2.40	3.00
30	16.50	2.48	18.98	18	2.70	20.70	3.60	4.50
40	22.00	3.30	25.30	24	3.60	27.60	4.80	6.00
50	27.50	4.13	31.63	30	4.50	34.50	6.00	7.50
60	33.00	4.95	37.95	36	5.40	41.40	7.20	9.00
70	38.50	5.78	44.28	42	6.30	48.30	8.40	10.50
80	44.00	6.60	50.60	48	7.20	55.20	9.60	12.00
90	49.50	7.43	56.93	54	8.10	62.10	10.80	13.50
100	55.00	8.25	63.25	60	9.00	69.00	12.00	15.00
110	60.50	9.08	69.58	66	9.90	75.90	13.20	16.50
120	66.00	9.90	75.90	72	10.80	82.80	14.40	18.00
130	71.50	10.73	82.23	78	11.70	89.70	15.60	19.50
140	77.00	11.55	88.55	84	12.60	96.60	16.80	21.00
150	82.50	12.38	94.88	90	13.50	103.50	18.00	22.50
160	88.00	13.20	101.20	96	14.40	110.40	19.20	24.00
170	93.50	14.03	107.53	102	15.30	117.30	20.40	25.50
180	99.00	14.85	113.85	108	16.20	124.20	21.60	27.00
190	104.50	15.68	120.18	114	17.10	131.10	22.80	28.50
95000	36450	5467.50	41917.50	42010	6301.50	48311.50	8500	10350
95200	36560	5484.00	42044.00	42130	6319.50	48449.50	8524	10380
95400	36670	5500.50	42170.50	42250	6337.50	48587.50	8548	10410
95600	36780	5517.00	42297.00	42370	6355.50	48725.50	8572	10440
95800	36890	5533.50	42423.50	42490	6373.50	48863.50	8596	10470
96000	37000	5550.00	42550.00	42610	6391.50	49001.50	8620	10500
96200	37110	5566.50	42676.50	42730	6409.50	49139.50	8644	10530
96400	37220	5583.00	42803.00	42850	6427.50	49277.50	8668	10560
96600	37330	5599.50	42929.50	42970	6445.50	49415.50	8692	10590
96800	37440	5616.00	43056.00	43090	6463.50	49553.50	8716	10620
97000	37550	5632.50	43182.50	43210	6481.50	49691.50	8740	10650
97200	37660	5649.00	43309.00	43330	6499.50	49829.50	8764	10680
97400	37770	5665.50	43435.50	43450	6517.50	49967.50	8788	10710
97600	37880	5682.00	43562.00	43570	6535.50	50105.50	8812	10740
97800	37990	5698.50	43688.50	43690	6553.50	50243.50	8736	10770
98000	38100	5715.00	43815.00	43810	6571.50	50381.50	8860	10800
98200	38210	5731.50	43941.50	43930	6589.50	50519.50	8884	10830
98400	38320	5748.00	44068.00	44050	6607.50	50657.50	8908	10860
98600	38430	5764.50	44194.50	44170	6625.50	50795.50	8932	10890
98800	38540	5781.00	44321.00	44290	6643.50	50933.50	8956	10920
99000	38650	5797.50	44447.50	44410	6661.50	51071.50	8980	10950
99200	38760	5814.00	44574.00	44530	6679.50	51209.50	9004	10980
99400	38870	5830.50	44700.50	44650	6697.50	51347.50	9028	11010
99600	38980	5847.00	44827.00	44770	6715.50	51485.50	9052	11040
99800	39090	5863.50	44953.50	44890	6733.50	51623.50	9076	11070
100000	39200	5880.00	45080.00	45010	6751.50	51761.50	9100	11100

Notes :—(i) C. D. S. has been calculated on taxable income assuming it to be current income.

(ii) C. D. S. is payable by individuals (citizens of India), H. U. F. and trustees of private & discretionary trusts.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

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WHERE TAXABLE INCOME IS BETWEEN Rs. 1,00,000 & Rs. 1,25,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
100000	39200	5880	45080	45010	6751.50	51761.50	9100	11100
101000	39800	5970	45770	45610	6841.50	52451.50	9220	11250
102000	40400	6060	46460	46210	6931.50	53141.50	9340	11400
103000	41000	6150	47150	46810	7021.50	53831.50	9460	11550
104000	41600	6240	47840	47410	7111.50	54521.50	9580	11700
105000	42200	6330	48530	48010	7201.50	55211.50	9700	11850
106000	42800	6420	49220	48610	7291.50	55901.50	9820	12000
107000	43400	6510	49910	49210	7381.50	56591.50	9940	12150
108000	44000	6600	50600	49810	7471.50	57281.50	10060	12300
109000	44600	6690	51290	50410	7561.50	57971.50	10180	12450
110000	45200	6780	51980	51010	7651.50	58661.50	10300	12600
111000	45800	6870	52670	51610	7741.50	59351.50	10420	12750
112000	46400	6960	53360	52210	7831.50	60041.50	10540	12900
113000	47000	7050	54050	52810	7921.50	60731.50	10660	13050
114000	47600	7140	54740	53410	8011.50	61421.50	10780	13200
115000	48200	7230	55430	54010	8101.50	62111.50	10900	13350
116000	48800	7320	56120	54610	8191.50	62801.50	11020	13500
117000	49400	7410	56810	55210	8281.50	63491.50	11140	13650
118000	50000	7500	57500	55810	8371.50	64181.50	11260	13800
119000	50600	7590	58190	56410	8461.50	64871.50	11380	13950
120000	51200	7680	58880	57010	8551.50	65561.50	11500	14100
121000	51800	7770	59570	57610	8641.50	66251.50	11620	14250
122000	52400	7860	60260	58210	8731.50	66941.50	11740	14400
123000	53000	7950	60950	58810	8821.50	67631.50	11860	14550
124000	53600	8040	61640	59410	8911.50	68321.50	11980	14700
125000	54200	8130	63330	60010	9001.50	69011.50	12100	14850

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) H.U.F. and trustees of private & discretionary trusts.

INCOME-TAX & SURCHARGE for individual, unregistered firms**H.U.F. and A.O.P. other than companies****WHERE TAXABLE INCOME IS BETWEEN Rs. 1,25,000 & Rs. 1,50,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
125000	54200	8130	62330	60010	9001.50	69011.50	12100	14850
126000	54800	8220	63020	60610	9091.50	69701.50	12220	15000
127000	55400	8310	63710	61210	9181.50	70391.50	12340	15150
128000	56000	8400	64400	61810	9271.50	71081.50	12460	15300
129000	56600	8490	65090	62410	9361.50	71771.50	12580	15450
130000	57200	8580	65780	63010	9451.50	72461.50	12700	15600
131000	57800	8670	66470	63610	9541.50	73151.50	12820	15750
132000	58400	8760	67160	64210	9631.50	73841.50	12940	15900
133000	59000	8850	67850	64810	9721.50	74531.50	13060	16050
134000	59600	8940	68540	65410	9811.50	75221.50	13180	16200
135000	60200	9030	69230	66010	9901.50	75911.50	13300	16350
136000	60800	9120	69920	66610	9991.50	76601.50	13420	16500
137000	61400	9210	70610	67210	10081.50	77291.50	13540	16650
138000	62000	9300	71300	67810	10171.50	77981.50	13660	16800
139000	62600	9390	71990	68410	10261.50	78671.50	13780	16950
140000	63200	9480	72680	69010	10351.50	79361.50	13900	17100
141000	63800	9570	73370	69610	10441.50	80051.50	14020	17250
142000	64400	9660	74060	70210	10531.50	80741.50	14140	17400
143000	65000	9750	74750	70810	10621.50	81431.50	14260	17550
144000	65600	9840	75440	71410	10711.50	82121.50	14380	17700
145000	66200	9930	76130	72010	10801.50	82811.50	14500	17850
146000	66800	10020	76820	72610	10891.50	83501.50	14620	18000
147000	67400	10110	77510	73210	10981.50	84191.50	14740	18150
148000	68000	10200	78200	73810	11071.50	84881.50	14860	18300
149000	68600	10290	78890	74410	11161.50	85571.50	14980	18450
150000	69200	10380	79580	75010	11251.50	86261.50	15100	18600

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.

(ii) C.D.S. is payable by individual (citizens of India), H.U.F. and trustees of private A. trust.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 1,50,000 & Rs. 1,75,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
150000	69200	10380	79580	75010	11251.50	86261.50	15100	18600
151000	69800	10470	80270	75610	11341.50	86951.50	15220	18750
152000	70400	10560	80960	76210	11431.50	87641.50	15340	18900
153000	71000	10650	81650	76810	11521.50	88331.50	15460	19050
154000	71600	10740	82340	77410	11611.50	89021.50	15580	19200
155000	72200	10830	83030	78010	11701.50	89711.50	15700	19350
156000	72800	10920	83720	78610	11791.50	90401.50	15820	19500
157000	73400	11010	84410	79210	11881.50	91091.50	15940	19650
158000	74000	11100	85100	79810	11971.50	91781.50	16060	19800
159000	74600	11190	85790	80410	12061.50	92471.50	16180	19950
160000	75200	11280	86480	81010	12151.50	93161.50	16300	20100
161000	75800	11370	87170	81610	12241.50	93851.50	16420	20250
162000	76400	11460	87860	82210	12331.50	94541.50	16540	20400
163000	77000	11550	88550	82810	12421.50	95231.50	16660	20550
164000	77600	11640	89240	83410	12511.50	95921.50	16780	20700
165000	78200	11730	89930	84010	12601.50	96611.50	16900	20850
166000	78800	11820	90620	84610	12691.50	97301.50	17020	21000
167000	79400	11910	91310	85210	12781.50	97991.50	17140	21150
168000	80000	12000	92000	85810	12871.50	98681.50	17260	21300
169000	80600	12090	92690	86410	12961.50	99371.50	17380	21450
170000	81200	12180	93380	87010	13051.50	100061.50	17500	21600
171000	81800	12270	94070	87610	13141.50	100751.50	17620	21750
172000	82400	12360	94760	88210	13231.50	101441.50	17740	21900
173000	83000	12450	95450	88810	13321.50	102131.50	17860	22050
174000	83600	12540	96140	89410	13411.50	102821.50	17980	22200
175000	84200	12630	96830	90010	13501.50	103511.50	18100	22350

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) This table applies to individual (citizens of India), H.U.F. and trustees of private & discretionary trusts.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 1,75,000 & Rs. 2,00,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
175000	84200	12630	96830	90010	13501.50	103511.50	18100	22350
176000	84800	12720	97520	90610	13591.50	104201.50	18220	22500
177000	85400	12810	98210	91210	13681.50	104891.50	18340	22650
178000	86000	12900	98900	91810	13771.50	105581.50	18460	22800
179000	86600	12990	99590	92410	13861.50	106271.50	18580	22950
180000	87200	13080	100280	93010	13951.50	106961.50	18700	23100
181000	87800	13170	100970	93610	14041.50	107651.50	18820	23250
182000	88400	13260	101660	94210	14131.50	108341.50	18940	23400
183000	89000	13350	102350	94810	14221.50	109031.50	19060	23550
184000	89600	13440	103040	95410	14311.50	109721.50	19180	23700
185000	90200	13530	103730	96010	14401.50	110411.50	19300	23850
186000	90800	13620	104420	96610	14491.50	111101.50	19420	24000
187000	91400	13710	105110	97210	14581.50	111791.50	19540	24150
188000	92000	13800	105800	97810	14671.50	112481.50	19660	24300
189000	92600	13890	106490	98410	14761.50	113171.50	19780	24450
190000	93200	13980	107180	99010	14851.50	113861.50	19900	24600
191000	93800	14070	107870	99610	14941.50	114551.50	20020	24750
192000	94400	14160	108560	100210	15031.50	115241.50	20140	24900
193000	95000	14250	109250	100810	15121.50	115931.50	20260	25050
194000	95600	14340	109940	101410	15211.50	116621.50	20380	25200
195000	96200	14430	110630	102010	15301.50	117311.50	20500	25350
196000	96800	14520	111320	102610	15391.50	118001.50	20620	25500
197000	97400	14610	112010	103210	15481.50	118691.50	20740	25650
198000	98000	14700	112700	103810	15571.50	119381.50	20860	25800
199000	98600	14790	113390	104410	15661.50	120071.50	20980	25950
200000	99200	14880	114080	105010	15751.50	120761.50	21100	26100

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.

**INCOME-TAX & SURCHARGE for individual, unregistered firms
H.U.F. and A.O.P. other than companies**

WHERE TAXABLE INCOME IS BETWEEN Rs. 2,00,000 & Rs. 3,00,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
1000	600	90.00	690.00	600	90.00	690.00	120.00	150.00
2000	1200	180.00	1380.00	1200	180.00	1380.00	240.00	300.00
3000	1800	270.00	2070.00	1800	270.00	2070.00	360.00	450.00
4000	2400	360.00	2760.00	2400	360.00	2760.00	480.00	600.00
200000	99200	14880	114080	105010	15751.50	120761.50	21100	26100
205000	102200	15330	117530	108010	16201.50	124211.50	21700	26850
210000	105200	15780	120980	111010	16651.50	127661.50	22300	27600
215000	108200	16230	124430	114010	17101.50	131111.50	22900	28350
220000	111200	16680	127880	117010	17551.50	134561.50	23500	29100
225000	114200	17130	131330	120010	18001.50	138011.50	24100	29850
230000	117200	17580	134780	123010	18451.50	141461.50	24700	30600
235000	120200	18030	138230	126010	18901.50	144911.50	25300	31350
240000	123200	18480	141680	129010	19351.50	148361.50	25900	32100
245000	126200	18930	145130	132010	19801.50	151811.50	26500	32850
250000	129200	19380	148580	135010	20251.50	155261.50	27100	33600
255000	132200	19830	152030	138010	20701.50	158711.50	27700	34350
260000	135200	20280	155480	141010	21151.50	162161.50	28300	35100
265000	138200	20730	158930	144010	21601.50	165611.50	28900	35850
270000	141200	21180	162380	147010	22051.50	169061.50	29500	36600
275000	144200	21630	165830	150010	22501.50	172511.50	30100	37350
280000	147200	22080	169280	153010	22951.50	175961.50	30700	38100
285000	150200	22530	172730	156010	23401.50	179411.50	31300	38850
290000	153200	22980	176180	159010	23851.50	182861.50	31900	39600
295000	156200	23430	179630	162010	24301.50	186311.50	32500	40350
300000	159200	23880	183080	165010	24751.50	189761.50	33100	41100

Notes: (i) C.D.S. has been calculated on taxable income assuming it to be current income.

INCOME-TAX & SURCHARGE for individual, unregistered firms H.U.F. and A.O.P. other than companies

WHERE TAXABLE INCOME IS BETWEEN Rs. 3,00,000 & Rs. 4,00,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
1000	600	90.00	690.00	600	90.00	690.00	120.00	150.00
2000	1200	180.00	1380.00	1200	180.00	1380.00	240.00	300.00
3000	1800	270.00	2070.00	1800	270.00	2070.00	360.00	450.00
4000	2400	360.00	2760.00	2400	360.00	2760.00	480.00	600.00
300000	159200	23880	183080	165010	24751.50	189761.50	33100	41100
305000	162200	24330	186530	168010	25201.50	193211.50	33700	41850
310000	165200	24780	189980	171010	25651.50	196661.50	34300	42600
315000	168200	25230	193430	174010	26101.50	200111.50	34900	43350
320000	171200	25680	196880	177010	26551.50	203561.50	35500	44100
325000	174200	26130	200330	180010	27001.50	207011.50	36100	44850
330000	177200	26580	203780	183010	27451.50	210461.50	36700	45600
335000	180200	27030	207230	186010	27901.50	213911.50	37300	46350
340000	183200	27480	210680	189010	28351.50	217361.50	37900	47100
345000	186200	27930	214130	192010	28801.50	220811.50	38500	47850
350000	189200	28380	217580	195010	29251.50	224261.50	39100	48600
355000	192200	28830	221030	198010	29701.50	227711.50	39700	49350
360000	195200	29280	224480	201010	30151.50	231161.50	40300	50100
365000	198200	29730	227930	204010	30601.50	234611.50	40900	50850
370000	201200	30180	231380	207010	31051.50	238061.50	41500	51600
375000	204200	30630	234830	210010	31501.50	241511.50	42100	52350
380000	207200	31080	238280	213010	31951.50	244961.50	42700	53100
385000	210200	31530	241730	216010	32401.50	248411.50	43300	53850
390000	213200	31980	245180	219010	32851.50	251861.50	43900	54600
395000	216200	32430	248630	222010	33301.50	255311.50	44500	55350
400000	219200	32880	252080	225010	33751.50	258761.50	45100	56100

Notes—(i) C.D.S. has been calculated on taxable income assuming it to be current income.
(ii) C.D.S. is payable by individual taxpayers only.

**INCOME-TAX & SURCHARGE for individuals, unregistered firms
H.U.F. and A.O.P. other than companies**

WHERE TAXABLE INCOME IS BETWEEN Rs. 4,00,000 & Rs. 5,00,000

FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80

Slab Rate : Income Tax 60% Surcharge 15% Income Tax 60% Surcharge 15% C.D.S. 12% C.D.S. 15%

Taxable Income	FOR ALL ABOVE EXCEPT SPECIFIED H.U.F.			FOR SPECIFIED H.U.F.			COMPULSORY DEPOSIT	
	I. T.	S.C.	Total Tax	I. T.	S.C.	Total Tax	For A. Y. 78-79	For A. Y. 79-80
	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs.	Rs. P.
10	6	0.90	6.90	6	0.90	6.90	1.20	1.50
20	12	1.80	13.80	12	1.80	13.80	2.40	3.00
30	18	2.70	20.70	18	2.70	20.70	3.60	4.50
40	24	3.60	27.60	24	3.60	27.60	4.80	6.00
50	30	4.50	34.50	30	4.50	34.50	6.00	7.50
60	36	5.40	41.40	36	5.40	41.40	7.20	9.00
70	42	6.30	48.30	42	6.30	48.30	8.40	10.50
80	48	7.20	55.20	48	7.20	55.20	9.60	12.00
90	54	8.10	62.10	54	8.10	62.10	10.80	13.50
100	60	9.00	69.00	60	9.00	69.00	12.00	15.00
200	120	18.00	138.00	120	18.00	138.00	24.00	30.00
300	180	27.00	207.00	180	27.00	207.00	36.00	45.00
400	240	36.00	276.00	240	36.00	276.00	48.00	60.00
500	300	45.00	345.00	300	45.00	345.00	60.00	75.00
600	360	54.00	414.00	360	54.00	414.00	72.00	90.00
700	420	63.00	483.00	420	63.00	483.00	84.00	105.00
800	480	72.00	552.00	480	72.00	552.00	96.00	120.00
900	540	81.00	621.00	540	81.00	621.00	108.00	135.00
1000	600	90.00	690.00	600	90.00	690.00	120.00	150.00
2000	1200	180.00	1380.00	1200	180.00	1380.00	240.00	300.00
3000	1800	270.00	2070.00	1800	270.00	2070.00	360.00	450.00
4000	2400	360.00	2760.00	2400	360.00	2760.00	480.00	600.00
400000	219200	32880	252080	225010	33751.50	258761.50	45100	56100
405000	222200	33330	255530	228010	34201.50	262211.50	45700	56850
410000	225200	33780	258980	231010	34651.50	265661.50	46300	57600
415000	228200	34230	262430	234010	35101.50	269111.50	46900	58350
420000	231200	34680	265880	237010	35551.50	272561.50	47500	59100
425000	234200	35130	269330	240010	36001.50	276011.50	48100	59850
430000	237200	35580	272780	243010	36451.50	279461.50	48700	60600
435000	240200	36030	276230	246010	36901.50	282911.50	49300	61350
440000	243200	36480	279680	249010	37351.50	286361.50	49900	62100
445000	246200	36930	283130	252010	37801.50	289811.50	50500	62850
450000	249200	37380	286580	255010	38251.50	293261.50	51100	63600
455000	252200	37830	290030	258010	38701.50	296711.50	51700	64350
460000	255200	38280	293480	261010	39151.50	300161.50	52300	65100
465000	258200	38730	296930	264010	39601.50	303611.50	52900	65850
470000	261200	39180	300380	267010	40051.50	307061.50	53500	66600
475000	264200	39630	303830	270010	40501.50	310511.50	54100	67350
480000	267200	40080	307280	273010	40951.50	313961.50	54700	68100
485000	270200	40530	310730	276010	41401.50	317411.50	55300	68850
490000	273200	40980	314180	279010	41851.50	320861.50	55900	69600
495000	276200	41430	317630	282010	42301.50	324311.50	56500	70350
500000	279200	41880	321080	285010	42751.50	327761.50	57100	71100

INCOME-TAX ON REGISTERED FIRMS

FIRM—Defined.

Under section 2 (23) of the income tax Act, 1961 "firm means a firm as defined in section 4 of the Indian Partnership Act, 1932.

Under section 4 of the Indian Partnership Act, 1932, "*Persons who have entered into partnership with one another are called individually 'partners' and collectively a firm.*"

'Partnership' is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all.

REGISTRATION OF FIRM :

The registration of firms under the Income-tax Act is not a general right but it is a mere privilege given to the firms in order to enable the individual partners thereof to get the benefit of the lower rates of assessment applicable wherever such rates are lower than the rate applicable to the total income of the firm computed as a whole. If a firm desires to take advantage of this privilege, it must conform strictly to the requirements of section 184 of the Act and the rules made under section 295.

REQUISITE CONDITIONS FOR REGISTRATION OF FIRMS :

For a firm to be registered under the Act, the following conditions as laid down in section 184 of the Act and rule 22 of I.T. Rules, 1962 should necessarily be satisfied :—

- (1) that the partnership is evidenced by an instrument of partnership ;
- (2) that the said deed specifies the individual shares of partners ;
- (3) that an application for registration of the firm is made to the Income-tax Officer having jurisdiction to assess the firm ;
- (4) that the application for registration is personally signed by all the partners but not minors admitted to the benefits of partnership;

If any partner is absent from India, the application may be signed by any person specifically authorised by him in this behalf. In the case of a dissolved firm, the application is to be signed by all the partners (*except minors*) who were partners in the firm immediately before its dissolution. A general power of attorney holder is not entitled to sign the application unless the partner is out of India [Section 184(3)].

- (5) that the application for registration is made before the end of the previous year for the assessment year in respect of which registration is sought, excepting, of course, in cases where the Income-tax Officer is satisfied that the firm was prevented by sufficient cause from making the application by that time ;
- (6) that the application for registration is accompanied by the original deed of partnership together with a copy thereof, excepting, of course, where the original instrument cannot be produced, a certified copy of the instrument together with a duplicate copy thereof may be attached with the application for registration.
- (7) that the application is made in the form prescribed by rule 22 of the Income-tax, Rules, 1962, and contains the prescribed particulars.

A perusal of section 185 of the Income-tax Act would reveal that, to have a firm registered under the Act, the following two conditions have to be satisfied in addition to the above mentioned :—

- (1) that the partnership is genuine ; and
- (2) that the firm does not attract best judgement assessment under section 144 of the Act.

TIME-LIMIT FOR MAKING APPLICATION FOR REGISTRATION :

The application for registration (*but not for continuation of registration*) should be submitted before the end of the previous year for the relevant assessment year and should be accompanied by original deed of partnership together with a copy thereof. Where the original deed cannot be conveniently furnished for sufficient reasons, a copy thereof duly certified by all the partners (*except minors*) should be submitted. [See Section 184(4) and (5) of the Act].

Where the application is made before the expiry of the relevant previous year and there is no change in the constitution of the firm or the shares of the partners during that previous year, the application should be made in Form No. 11 [See Rule 22(2)(i)].

Where application for registration is made after the end of the relevant previous year [the delay in the submission of the application after the expiry of the previous year can be condoned by the Income-tax Officer under the proviso to sub-section (4) of Section 184 on being satisfied that there was sufficient reason for the delay] and there is no change in the constitution of the firm or the shares of the partners during the relevant previous year and thereafter upto the date of making the application, the application should be made in Form No. 11 [See Rule 22(4)(i)].

In both the cases mentioned above, the application in Form No. 11 should be accompanied by the original deed (or a copy certified by all the partners to be the correct copy) together with a copy thereof.

Where there is a change in the constitution of the firm or shares of the partners application should be in Form No. 11A :

- (i) Where the application is made before the end of the previous year and where any change or changes have been taken place during that previous year before the date of application, the application is to be made in Form No. 11A and should be accompanied by original deed or deeds of partnership (or certified copies thereof) as in existence from time to time during the previous year upto the date of the application together with a copy of each of the deeds [See Rule 22(2)(ii)].
- (ii) Where the application is made after the end of the relevant previous year and where any change or changes have taken place during the said previous year and or after the end of the previous year but before the date of the application, the application is to be made in Form No. 11A and should be accompanied by the original deed or deeds of partnership (or certified copies thereof) as in existence from time to time during the previous year and upto the date of the application together with copies thereof [See Rule 22(4)(ii)].

GRANT OF REGISTRATION OF FIRMS (Section-185) :

On receipt of the application for registration, the Income Tax Officer shall enquire into the genuineness of the firm and its constitution. If the application for registration is not in order, the income-tax Officer shall intimate the defect in the application to the firm and give it an opportunity to rectify the same within one month from the date of such intimation and if the defect is not rectified within that period, he shall pass an order rejecting the application.

Under the Explanation to sub-section (1) of section 185 which is applicable to assessment year 1971-72 and subsequent years, a firm shall not be regarded as a genuine firm if any of the partner of the firm was at any time during the previous year, a benamidar of any other partner to whom he is not related as a spouse or minor child.

If the Income-tax Officer is satisfied about the genuineness of the firm and its constitution, he will grant registration to the firm for that assessment year. Thereafter, the assessee has only to file a declaration under section 184(7) in Form No. 12 for continuation of registration for every subsequent assessment year provided there is no change in the constitution of the firm or the shares of the partners as evidenced by the deed of partnership on the basis of which the registration was granted. Such declaration under Form No. 12 is to be furnished at any time before the expiry of the time allowed for furnishing the return. If there is any change, the firm has to make a fresh application in Form No. 11-A before the end of the previous year in which the change has taken place alongwith the prescribed enclosures.

WHEN APPLICATION FOR REGISTRATION FOR AN EARLIER ASSESSMENT YEAR IS PENDING

Where an application for registration has been filed but such application has not been disposed of by the Income-tax Officer, it will be advisable for the firm to file application for registration for every subsequent assessment year alongwith declaration in Form No. 12 to avoid the benefit of registration for subsequent year or years being denied on the technical ground that declaration in Form No. 12 for continuation of registration is not valid since the firm has not been granted registration when the declaration in Form No. 12 was made. The C. B. D. T. has issued the circular that benefit of registration should not be denied on such technical ground but an opportunity should be given to the assessee to rectify it.

ASSESSMENT OF REGISTERED FIRMS (Section 182):

- (i) The total income of a registered firm is to be first determined.
- (ii) The tax payable by the firm itself on its total income shall, then, be determined
- (iii) The share income of each partner in the income of the firm is to be computed and included in the total income of partner and assessed to tax accordingly. For and from the assessment year 1969-70, the tax payable by a registered firm is to be deducted from its total income and the balance is to be apportioned amongst the partners.
- (iv) If the share income of a partner is a loss, it will be set off against his other income or carried forward and set off as provided in section 70 to 75 [section 182(2)].
- (v) When any partner of a registered firm is a non-resident, the tax on his share in the income of the firm shall be assessed on the firm at the rate or rates which would be applicable if it were assessed on him personally, and the tax so assessed shall be paid by the firm [section 182(3)].
- (vi) A registered firm may retain out of the share income of each partner, a sum equivalent to 30% of such share income until such time as the tax which may be levied on the partner in respect of his share income is paid by him. Where the tax so levied cannot be recovered from the partner wholly or in part, the firm shall be liable to pay the tax to the extent of the amount retained or could have been so retained [section 182(4)].

UNREGISTERED FIRM TREATED AS REGISTERED FIRM :

Under section 183(b) an unregistered firm may be treated as registered firm and assessed to tax accordingly if :—

- (i) upto the assessment year 1970-71, the aggregate tax payable by the partners on their share income in the firm, if it were assessed as a registered firm at the rate or rates applicable to their total income, is greater than the tax payable by the firm as an unregistered firm.
- (ii) for and from the assessment year 1971-72, if the tax payable by the firm if assessed as a registered firm, taken together with the tax payable by the partners on their total income (inclusive of share income in the firm so assessed) is greater than the tax payable by the firm as an unregistered firm.

ADVANCE TAX BY REGISTERED FIRMS :

A registered firm has to pay advance tax, if its income excluding capital gains exceeds Rs.30,000. For further detail and consequences please refer Chapter "Payment of advance tax" in this reckoner.

RATES OF TAX FOR REGISTERED FIRM

For assessment year 1978-79 and for Advance Tax A. Y 1979-80

PROFESSIONAL FIRMS BUSINESS FIRMS

*(i. e. firms having income at
least 51% of total income
from profession)*

*(i. e. other than
professional
firms)*

(1) Income-tax

(i) on the first Rs. 10,000/- of total income.	nil	nil
(ii) on the next Rs. 15,000/- of total income.	4%	5%
(iii) on the next Rs. 25,000/- of total income.	7%	7%
(iv) on the next Rs. 50,000/- of total income.	13%	15%
(v) on the balance of total income.	22%	24%

(2) Surcharge on Income-tax

in addition to the income-tax at the rates given above every registered firm shall be liable to the surcharge.	15% on income tax	15% on income tax
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NOTES :

- (1) Professional firm means a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income.
- (2) Registered firm includes an unregistered firm under clause (b) of section 183 of the income-tax Act, 1961.

Example :

A registered firm of Chartered Accountants has professional income of Rs. 30,000/- and interest income of Rs. 40,000/- in assessment year 1978-79

Compute the taxable income and tax payable thereon.

Solution :

Computation of taxable income

Income from profession	Rs. 30,000
Income from interest	Rs. 40,000

	Rs. 70,000

Calculation of tax

Income-tax on Rs. 70,000/-	Rs. 5,500
Surcharge on income-tax	Rs. 825

	Rs. 6,325

**INCOME TAX & SUR-CHARGE for Registered firms,
WHERE TAXABLE INCOME IS BETWEEN Rs. 10,010 & Rs. 25,000
(For Assessment year 1978-79 and also for assessment year 1979-80)**

Slab Rate : Income-tax 4%
Surcharge 15%

Income-tax 5%
Surcharge 15%

Income-tax 4%
Surcharge 15%

Income-tax 5%
Surcharge 15%

Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS			Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS		
	I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax		I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
10	0.40	0.06	0.46	0.50	0.08	0.58	10	0.40	0.06	0.46	0.50	0.08	0.58
20	0.80	0.12	0.92	1.00	0.15	1.15	20	0.80	0.12	0.92	1.00	0.15	1.15
30	1.20	0.18	1.38	1.50	0.23	1.73	30	1.20	0.18	1.38	1.50	0.23	1.73
40	1.60	0.24	1.84	2.00	0.30	2.30	40	1.60	0.24	1.84	2.00	0.30	2.30
50	2.00	0.30	2.30	2.50	0.38	2.88	50	2.00	0.30	2.30	2.50	0.38	2.88
60	2.40	0.36	2.76	3.00	0.45	3.45	60	2.40	0.36	2.76	3.00	0.45	3.45
70	2.80	0.42	3.22	3.50	0.53	4.03	70	2.80	0.42	3.22	3.50	0.53	4.03
80	3.20	0.48	3.68	4.00	0.60	4.60	80	3.20	0.48	3.68	4.00	0.60	4.60
90	3.60	0.54	4.14	4.50	0.68	5.18	90	3.60	0.54	4.14	4.50	0.68	5.18
100	4.00	0.60	4.60	5.00	0.75	5.75	100	4.00	0.60	4.60	5.00	0.75	5.75
10010	0.40	0.06	0.46	0.50	0.08	0.58	17600	304	45.60	349.60	380	57.00	437.00
10200	8.00	1.20	9.20	10.00	1.50	11.50	17800	312	46.80	358.80	390	58.50	448.50
10400	16.00	2.40	18.40	20.00	3.00	23.00	18000	320	48.00	368.00	400	60.00	460.00
10600	24.00	3.60	27.60	30.00	4.50	34.50	18200	328	49.20	377.20	410	61.50	471.50
10800	32.00	4.80	36.80	40.00	6.00	46.00	18400	336	50.40	386.40	420	63.00	483.00
11000	40.00	6.00	46.00	50.00	7.50	57.50	18600	344	51.60	395.60	430	64.50	494.50
11200	48.00	7.20	55.20	60.00	9.00	69.00	18800	352	52.80	404.80	440	66.00	506.00
11400	56.00	8.40	64.40	70.00	10.50	80.50	19000	360	54.00	414.00	450	67.50	517.50
11600	64.00	9.60	73.60	80.00	12.00	92.00	19200	368	55.20	423.20	460	69.00	529.00
11800	72.00	10.80	82.80	90.00	13.50	103.50	19400	376	56.40	432.40	470	70.50	540.50
12000	80.00	12.00	92.00	100.00	15.00	115.00	19600	384	57.60	441.60	480	72.00	552.00
12200	88.00	13.20	101.20	110.00	16.50	126.50	19800	392	58.80	450.80	490	73.50	563.50
12400	96.00	14.40	110.40	120.00	18.00	138.00	20000	400	60.00	460.00	500	75.00	575.00
12600	104.00	15.60	119.60	130.00	19.50	149.50	20200	408	61.20	469.20	510	76.50	586.50
12800	112.00	16.80	128.80	140.00	21.00	161.00	20400	416	62.40	478.40	520	78.00	598.00
13000	120.00	18.00	138.00	150.00	22.50	172.50	20600	424	63.60	487.60	530	79.50	609.50
13200	128.00	19.20	147.20	160.00	24.00	184.00	20800	432	64.80	496.80	540	81.00	621.00
13400	136.00	20.40	156.40	170.00	25.50	195.50	21000	440	66.00	506.00	550	82.50	632.50
13600	144.00	21.60	165.60	180.00	27.00	207.00	21200	448	67.20	515.20	560	84.00	644.00
13800	152.00	22.80	174.80	190.00	28.50	218.50	21400	456	68.40	524.40	570	85.50	655.50
14000	160.00	24.00	184.00	200.00	30.00	230.00	21600	464	69.60	533.60	580	87.00	667.00
14200	168.00	25.20	193.20	210.00	31.50	241.50	21800	472	70.80	542.80	590	88.50	678.50
14400	176.00	26.40	202.40	220.00	33.00	253.00	22000	480	72.00	552.00	600	90.00	690.00
14600	184.00	27.60	211.60	230.00	34.50	264.50	22200	488	73.20	561.20	610	91.50	701.50
14800	192.00	28.80	220.80	240.00	36.00	276.00	22400	496	74.40	570.40	620	93.00	713.00
15000	200.00	30.00	230.00	250.00	37.50	287.50	22600	504	75.60	579.60	630	94.50	724.50
15200	208.00	31.20	239.20	260.00	39.00	299.00	22800	512	76.80	588.80	640	96.00	736.00
15400	216.00	32.40	248.40	270.00	40.50	310.50	23000	520	78.00	598.00	650	97.50	747.50
15600	224.00	33.60	257.60	280.00	42.00	322.00	23200	528	79.20	607.20	660	99.00	759.00
15800	232.00	34.80	266.80	290.00	43.50	333.50	23400	536	80.40	616.40	670	100.50	770.50
16000	240.00	36.00	276.00	300.00	45.00	345.00	23600	544	81.60	625.60	680	102.00	782.00
16200	248.00	37.20	285.20	310.00	46.50	356.50	23800	552	82.80	634.80	690	103.50	793.50
16400	256.00	38.40	294.40	320.00	48.00	368.00	24000	560	84.00	644.00	700	105.00	805.00
16600	264.00	39.60	303.60	330.00	49.50	379.50	24200	568	85.20	653.20	710	106.50	816.50
16800	272.00	40.80	312.80	340.00	51.00	391.00	24400	576	86.40	662.40	720	108.00	828.00
17000	280.00	42.00	322.00	350.00	52.50	402.50	24600	584	87.60	671.60	730	109.50	839.50
17200	288.00	43.20	331.20	360.00	54.00	414.00	24800	592	88.80	680.80	740	111.00	851.00
17400	296.00	44.40	340.40	370.00	55.50	425.50	25000	600	90.00	690.00	750	112.50	862.50

Notes (i) The total tax is to be rounded off to the nearest multiple of Re. 1.

(ii) If a firm has income atleast 51% from profession, the firm shall be deemed as professional firm.

INCOME TAX & SUR-CHARGE for Registered firms, WHERE TAXABLE INCOME IS BETWEEN Rs. 25,000 & Rs. 50,000

(For Assessment year 1978-79 and also for assessment year 1979-80)

Rate : Income-tax 7%

Income-tax 7%

Income-tax 7%

Income-tax 7%

Surcharge 15%

Surcharge 15%

Surcharge 15%

Surcharge 15%

Taxable Income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS			Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS		
	I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax		I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
10	0.70	0.11	0.81	0.70	0.11	0.81	10	0.70	0.11	0.81	0.70	0.11	0.81
20	1.40	0.21	1.61	1.40	0.21	1.61	20	1.40	0.21	1.61	1.40	0.21	1.61
30	2.10	0.32	2.42	2.10	0.32	2.42	30	2.10	0.32	2.42	2.10	0.32	2.42
40	2.80	0.42	3.22	2.80	0.42	3.22	40	2.80	0.42	3.22	2.80	0.42	3.22
50	3.50	0.53	4.03	3.50	0.53	4.03	50	3.50	0.53	4.03	3.50	0.53	4.03
60	4.20	0.63	4.83	4.20	0.63	4.83	60	4.20	0.63	4.83	4.20	0.63	4.83
70	4.90	0.74	5.64	4.90	0.74	5.64	70	4.90	0.74	5.64	4.90	0.74	5.64
80	5.60	0.84	6.44	5.60	0.84	6.44	80	5.60	0.84	6.44	5.60	0.84	6.44
90	6.30	0.95	7.25	6.30	0.95	7.25	90	6.30	0.95	7.25	6.30	0.95	7.25
100	7.00	1.05	8.05	7.00	1.05	8.05	100	7.00	1.05	8.05	7.00	1.05	8.05
200	14.00	2.10	16.10	14.00	2.10	16.10	200	14.00	2.10	16.10	14.00	2.10	16.10
300	21.00	3.15	24.15	21.00	3.15	24.15	300	21.00	3.15	24.15	21.00	3.15	24.15
400	28.00	4.20	32.20	28.00	4.20	32.20	400	28.00	4.20	32.20	28.00	4.20	32.20
500	35.00	5.25	40.25	35.00	5.25	40.25	500	35.00	5.25	40.25	35.00	5.25	40.25
600	42.00	6.30	48.30	42.00	6.30	48.30	600	42.00	6.30	48.30	42.00	6.30	48.30
700	49.00	7.35	56.35	49.00	7.35	56.35	700	49.00	7.35	56.35	49.00	7.35	56.35
800	56.00	8.40	64.40	56.00	8.40	64.40	800	56.00	8.40	64.40	56.00	8.40	64.40
900	63.00	9.45	72.45	63.00	9.45	72.45	900	63.00	9.45	72.45	63.00	9.45	72.45
1000	70.00	10.50	80.50	70.00	10.50	80.50	1000	70.00	10.50	80.50	70.00	10.50	80.50
1100	77.00	11.55	88.55	77.00	11.55	88.55	1100	77.00	11.55	88.55	77.00	11.55	88.55
1200	84.00	12.60	96.60	84.00	12.60	96.60	1200	84.00	12.60	96.60	84.00	12.60	96.60
1300	91.00	13.65	104.65	91.00	13.65	104.65	1300	91.00	13.65	104.65	91.00	13.65	104.65
1400	98.00	14.70	112.70	98.00	14.70	112.70	1400	98.00	14.70	112.70	98.00	14.70	112.70
1500	105.00	15.75	120.75	105.00	15.75	120.75	1500	105.00	15.75	120.75	105.00	15.75	120.75
1600	112.00	16.80	128.80	112.00	16.80	128.80	1600	112.00	16.80	128.80	112.00	16.80	128.80
1700	119.00	17.85	136.85	119.00	17.85	136.85	1700	119.00	17.85	136.85	119.00	17.85	136.85
1800	126.00	18.90	144.90	126.00	18.90	144.90	1800	126.00	18.90	144.90	126.00	18.90	144.90
1900	133.00	19.95	152.95	133.00	19.95	152.95	1900	133.00	19.95	152.95	133.00	19.95	152.95
2000	140.00	21.00	161.00	140.00	21.00	161.00	2000	140.00	21.00	161.00	140.00	21.00	161.00
2100	147.00	22.05	169.05	2100	22.05	169.05	2100	147.00	22.05	169.05	2100	22.05	169.05
2200	154.00	23.10	177.10	2200	23.10	177.10	2200	154.00	23.10	177.10	2200	23.10	177.10
2300	161.00	24.15	185.15	2300	24.15	185.15	2300	161.00	24.15	185.15	2300	24.15	185.15
2400	168.00	25.20	193.20	2400	25.20	193.20	2400	168.00	25.20	193.20	2400	25.20	193.20
2500	175.00	26.25	201.25	2500	26.25	201.25	2500	175.00	26.25	201.25	2500	26.25	201.25
2600	182.00	27.30	209.30	2600	27.30	209.30	2600	182.00	27.30	209.30	2600	27.30	209.30
2700	189.00	28.35	217.35	2700	28.35	217.35	2700	189.00	28.35	217.35	2700	28.35	217.35
2800	196.00	29.40	225.40	2800	29.40	225.40	2800	196.00	29.40	225.40	2800	29.40	225.40
2900	203.00	30.45	233.45	2900	30.45	233.45	2900	203.00	30.45	233.45	2900	30.45	233.45
3000	210.00	31.50	241.50	3000	31.50	241.50	3000	210.00	31.50	241.50	3000	31.50	241.50
3100	217.00	32.55	249.55	3100	32.55	249.55	3100	217.00	32.55	249.55	3100	32.55	249.55
3200	224.00	33.60	257.60	3200	33.60	257.60	3200	224.00	33.60	257.60	3200	33.60	257.60
3300	231.00	34.65	265.65	3300	34.65	265.65	3300	231.00	34.65	265.65	3300	34.65	265.65
3400	238.00	35.70	273.70	3400	35.70	273.70	3400	238.00	35.70	273.70	3400	35.70	273.70
3500	245.00	36.75	281.75	3500	36.75	281.75	3500	245.00	36.75	281.75	3500	36.75	281.75
3600	252.00	37.80	289.80	3600	37.80	289.80	3600	252.00	37.80	289.80	3600	37.80	289.80
3700	259.00	38.85	297.85	3700	38.85	297.85	3700	259.00	38.85	297.85	3700	38.85	297.85
3800	266.00	39.90	305.90	3800	39.90	305.90	3800	266.00	39.90	305.90	3800	39.90	305.90
3900	273.00	40.95	313.95	3900	40.95	313.95	3900	273.00	40.95	313.95	3900	40.95	313.95
4000	280.00	42.00	322.00	4000	42.00	322.00	4000	280.00	42.00	322.00	4000	42.00	322.00
4100	287.00	43.05	330.05	4100	43.05	330.05	4100	287.00	43.05	330.05	4100	43.05	330.05
4200	294.00	44.10	338.10	4200	44.10	338.10	4200	294.00	44.10	338.10	4200	44.10	338.10
4300	301.00	45.15	346.15	4300	45.15	346.15	4300	301.00	45.15	346.15	4300	45.15	346.15
4400	308.00	46.20	354.20	4400	46.20	354.20	4400	308.00	46.20	354.20	4400	46.20	354.20
4500	315.00	47.25	362.25	4500	47.25	362.25	4500	315.00	47.25	362.25	4500	47.25	362.25
4600	322.00	48.30	370.30	4600	48.30	370.30	4600	322.00	48.30	370.30	4600	48.30	370.30
4700	329.00	49.35	378.35	4700	49.35	378.35	4700	329.00	49.35	378.35	4700	49.35	378.35
4800	336.00	50.40	386.40	4800	50.40	386.40	4800	336.00	50.40	386.40	4800	50.40	386.40
4900	343.00	51.45	394.45	4900	51.45	394.45	4900	343.00	51.45	394.45	4900	51.45	394.45
5000	350.00	52.50	402.50	5000	52.50	402.50	5000	350.00	52.50	402.50	5000	52.50	402.50

Note : - (i) The total tax has to be rounded off to the nearest multiple of Re. 1.

(ii) if a firm has income atleast 51% from profession, the firm shall be deemed as professional firm.

INCOME TAX & SUR-CHARGE for Registered firms, WHERE TAXABLE INCOME IS BETWEEN Rs. 50,000 & Rs. 75,000

(For Assessment year 1978-79 and also for assessment year 1979-80)

Slab Rate : Income-tax 13% Income-tax 15% Income-tax 13% Income-tax 15%
Surcharge 15% Surcharge 15% Surcharge 15% Surcharge 15%

Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS			Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS		
	I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax		I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
10	1.30	0.20	1.50	1.50	0.23	1.73	10	1.30	0.20	1.50	1.50	0.23	1.73
20	2.60	0.39	2.99	3.00	0.45	3.45	20	2.60	0.39	2.99	3.00	0.45	3.45
30	3.90	0.59	4.49	4.50	0.68	5.18	30	3.90	0.59	4.49	4.50	0.68	5.18
40	5.20	0.78	5.98	6.00	0.90	6.90	40	5.20	0.78	5.98	6.00	0.90	6.90
50	6.50	0.98	7.48	7.50	1.13	8.63	50	6.50	0.98	7.48	7.50	1.13	8.63
60	7.80	1.17	8.97	9.00	1.35	10.35	60	7.80	1.17	8.97	9.00	1.35	10.35
70	9.10	1.37	10.47	10.50	1.58	12.08	70	9.10	1.37	10.47	10.50	1.58	12.08
80	10.40	1.56	11.96	12.00	1.80	13.80	80	10.40	1.56	11.96	12.00	1.80	13.80
90	11.70	1.76	13.46	13.50	2.03	15.53	90	11.70	1.76	13.46	13.50	2.03	15.53
100	13.00	1.95	14.95	15.00	2.25	17.25	100	13.00	1.95	14.95	15.00	2.25	17.25
200	26.00	3.90	29.90	30.00	4.50	34.50	200	26.00	3.90	29.90	30.00	4.50	34.50
300	39.00	5.85	44.85	45.00	6.75	51.75	300	39.00	5.85	44.85	45.00	6.75	51.75
400	52.00	7.80	59.80	60.00	9.00	69.00	400	52.00	7.80	59.80	60.00	9.00	69.00
500	65.00	9.75	74.75	75.00	11.25	86.25	500	65.00	9.75	74.75	75.00	11.25	86.25
600	78.00	11.70	89.70	90.00	13.50	103.50	600	78.00	11.70	89.70	90.00	13.50	103.50
700	91.00	13.65	104.65	105.00	15.75	120.75	700	91.00	13.65	104.65	105.00	15.75	120.75
800	104.00	15.60	119.60	120.00	18.00	138.00	800	104.00	15.60	119.60	120.00	18.00	138.00
900	117.00	17.55	134.55	135.00	20.25	155.25	900	117.00	17.55	134.55	135.00	20.25	155.25
50000	2350	352.50	2702.50	2500	375.00	2875.00	75000	5600	840.00	6440.00	6250	937.50	7187.50
51000	2480	372.00	2852.00	2650	397.50	3047.50	76000	5730	859.50	6589.50	6400	960.00	7360.00
52000	2610	391.50	3001.50	2800	420.00	3220.00	77000	5860	879.00	6739.00	6550	982.50	7532.50
53000	2740	411.00	3151.00	2950	442.50	3392.50	78000	5990	898.50	6888.50	6700	1005.00	7705.00
54000	2870	430.50	3300.50	3100	465.00	3565.00	79000	6120	918.00	7038.00	6850	1027.50	7877.50
55000	3000	450.00	3450.00	3250	487.50	3737.50	80000	6250	937.50	7187.50	7000	1050.00	8050.00
56000	3130	469.50	3599.50	3400	510.00	3910.00	81000	6380	957.00	7337.00	7150	1072.50	8222.50
57000	3260	489.00	3749.00	3550	532.50	4082.50	82000	6510	976.50	7486.50	7300	1095.00	8395.00
58000	3390	508.50	3898.50	3700	555.00	4255.00	83000	6640	996.00	7636.00	7450	1117.50	8567.50
59000	3520	528.00	4048.00	3850	577.50	4427.50	84000	6770	1015.50	7785.50	7600	1140.00	8740.00
60000	3650	547.50	4197.50	4000	600.00	4600.00	85000	6900	1035.00	7935.00	7750	1162.50	8912.50
61000	3780	567.00	4347.00	4150	622.50	4772.50	86000	7030	1054.50	8084.50	7900	1185.00	9085.00
62000	3910	586.50	4496.50	4300	645.00	4945.00	87000	7160	1074.00	8234.00	8050	1207.50	9257.50
63000	4040	606.00	4646.00	4450	667.50	5117.50	88000	7290	1093.50	8383.50	8200	1230.00	9430.00
64000	4170	625.50	4795.50	4600	690.00	5290.00	89000	7420	1113.00	8533.00	8350	1252.50	9602.50
65000	4300	645.00	4945.00	4750	712.50	5462.50	90000	7550	1132.50	8682.50	8500	1275.00	9775.00
66000	4430	664.50	5094.50	4900	735.00	5635.00	91000	7680	1152.00	8832.00	8650	1297.50	9947.50
67000	4560	684.00	5244.00	5050	757.50	5807.50	92000	7810	1171.50	8981.50	8800	1320.00	10120.00
68000	4690	703.50	5393.50	5200	780.00	5980.00	93000	7940	1191.00	9131.00	8950	1342.50	10292.50
69000	4820	723.00	5543.00	5350	802.50	6152.50	94000	8070	1210.50	9280.50	9100	1365.00	10465.00
70000	4950	742.50	5692.50	5500	825.00	6325.00	95000	8200	1230.00	9430.00	9250	1387.50	10637.50
71000	5080	762.00	5842.00	5650	847.50	6497.50	96000	8330	1249.50	9579.50	9400	1410.00	10810.00
72000	5210	781.50	5991.50	5800	870.00	6670.00	97000	8460	1269.00	9729.00	9550	1432.50	10982.50
73000	5340	801.00	6141.00	5950	892.50	6842.50	98000	8590	1288.50	9878.50	9700	1455.00	11155.00
74000	5470	820.50	6290.50	6100	915.00	7015.00	99000	8720	1308.00	10028.00	9850	1477.50	11327.50
75000	5600	840.00	6440.00	6250	937.50	7187.50	100000	8850	1327.50	10177.50	10000	1500.00	11500.00

Note :—(i) The total tax has to be rounded off to the nearest multiple of Re. 1.

(ii) if a firm has income atleast 51% from profession, the firm shall be deemed as professional firm.

INCOME TAX & SUR-CHARGE for Registered firms, WHERE TAXABLE INCOME IS BETWEEN Rs. 1,00,000 & Rs. 2,00,000

(For Assessment year 1978-79 and also for assessment year 1979-80)

b Rate : Income-tax 22%

Income-tax 24%

Income-tax 22%

Income-tax 24%

Surcharge 15%

Surcharge 15%

Surcharge 15%

Surcharge 15%

a- me s.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS			Taxa- ble income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS		
	I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax		I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
0	2.20	0.33	2.53	2.40	0.36	2.76	10	2.20	0.33	2.53	2.40	0.36	2.76
20	4.40	0.66	5.06	4.80	0.72	5.52	20	4.40	0.66	5.06	4.80	0.72	5.52
30	6.60	0.99	7.59	7.20	1.08	8.28	30	6.60	0.99	7.59	7.20	1.08	8.28
40	8.80	1.32	10.12	9.60	1.44	11.04	40	8.80	1.32	10.12	9.60	1.44	11.04
50	11.00	1.65	12.65	12.00	1.80	13.80	50	11.00	1.65	12.65	12.00	1.80	13.80
60	13.20	1.98	15.18	14.40	2.16	16.56	60	13.20	1.98	15.18	14.40	2.16	16.56
70	15.40	2.31	17.71	16.80	2.52	19.32	70	15.40	2.31	17.71	16.80	2.52	19.32
80	17.60	2.64	20.24	19.20	2.88	22.08	80	17.60	2.64	20.24	19.20	2.88	22.08
90	19.80	2.97	22.77	21.60	3.24	24.84	90	19.80	2.97	22.77	21.60	3.24	24.84
100	22.00	3.30	25.30	24.00	3.60	27.60	100	22.00	3.30	25.30	24.00	3.60	27.60
200	44.00	6.60	50.60	48.00	7.20	55.20	200	44.00	6.60	50.60	48.00	7.20	55.20
300	66.00	9.90	75.90	72.00	10.80	82.80	300	66.00	9.90	75.90	72.00	10.80	82.80
400	88.00	13.20	101.20	96.00	14.40	110.40	400	88.00	13.20	101.20	96.00	14.40	110.40
500	110.00	16.50	126.50	120.00	18.00	138.00	500	110.00	16.50	126.50	120.00	18.00	138.00
600	132.00	19.80	151.80	144.00	21.60	165.60	600	132.00	19.80	151.80	144.00	21.60	165.60
700	154.00	23.10	177.10	168.00	25.20	193.20	700	154.00	23.10	177.10	168.00	25.20	193.20
800	176.00	26.40	202.40	192.00	28.80	220.80	800	176.00	26.40	202.40	192.00	28.80	220.80
900	198.00	29.70	227.70	216.00	32.40	248.40	900	198.00	29.70	227.70	216.00	32.40	248.40
1000	220.00	33.00	253.00	240.00	36.00	276.00	1000	220.00	33.00	253.00	240.00	36.00	276.00
15000	8850	1327.50	10177.50	10000	1500	11500	150000	19850	2977.50	22827.50	22000	3300	25300
16000	9290	1393.50	10683.50	10480	1572	12052	152000	20290	3043.50	23333.50	22480	3372	25852
17000	9730	1459.50	11189.50	10960	1644	12604	154000	20730	3109.50	23839.50	22960	3444	26404
18000	10170	1525.50	11695.50	11440	1716	13156	156000	21170	3175.50	24345.50	23440	3516	26956
19000	10610	1591.50	12201.50	11920	1788	13708	158000	21610	3241.50	24851.50	23920	3588	27508
20000	11050	1657.50	12707.50	12400	1860	14260	160000	22050	3307.50	25357.50	24400	3660	28060
21000	11490	1723.50	13213.50	12880	1932	14812	162000	22490	3373.50	25863.50	24880	3732	28612
22000	11930	1789.50	13719.50	13360	2004	15364	164000	22930	3439.50	26369.50	25360	3804	29164
23000	12370	1855.50	14225.50	13840	2076	15916	166000	23370	3505.50	26875.50	25840	3876	29716
24000	12810	1921.50	14731.50	14320	2148	16468	168000	23810	3571.50	27381.50	26320	3948	30268
25000	13250	1987.50	15237.50	14800	2220	17020	170000	24250	3637.50	27887.50	26800	4020	30820
26000	13690	2053.50	15743.50	15280	2292	17572	172000	24690	3703.50	28393.50	27280	4092	31372
27000	14130	2119.50	16249.50	15760	2364	18124	174000	25130	3769.50	28899.50	27760	4164	31924
28000	14570	2185.50	16755.50	16240	2436	18676	176000	25570	3835.50	29405.50	28240	4236	32476
29000	15010	2251.50	17261.50	16720	2508	19228	178000	26010	3901.50	29911.50	28720	4308	33028
30000	15450	2317.50	17767.50	17200	2580	19780	180000	26450	3967.50	30417.50	29200	4380	33580
31000	15890	2383.50	18273.50	17680	2652	20332	182000	26890	4033.50	30923.50	29680	4452	34132
32000	16330	2449.50	18779.50	18160	2724	20884	184000	27330	4099.50	31429.50	30160	4524	34684
33000	16770	2515.50	19285.50	18640	2796	21436	186000	27770	4165.50	31935.50	30640	4596	35236
34000	17210	2581.50	19791.50	19120	2868	21988	188000	28210	4231.50	32441.50	31120	4668	35788
35000	17650	2647.50	20297.50	19600	2940	22540	190000	28650	4297.50	32947.50	31600	4740	36340
36000	18090	2713.50	20803.50	20080	3012	23092	192000	29090	4363.50	33453.50	32080	4812	36892
37000	18530	2779.50	21309.50	20560	3084	23644	194000	29530	4429.50	33959.50	32560	4884	37444
38000	18970	2845.50	21815.50	21040	3156	24196	196000	29970	4495.50	34465.50	33040	4956	37996
39000	19410	2911.50	22321.50	21520	3228	24748	198000	30410	4561.50	34971.50	33520	5028	38548
40000	19850	2977.50	22827.50	22000	3300	25300	200000	30850	4627.50	35477.50	34000	5100	39100

Notes : (i) The total tax is to be rounded off to the nearest multiple of Re. 1.

(ii) If a firm has income atleast 51% from profession, the firm shall be deemed as professional firm.

INCOME TAX & SUR-CHARGE for Registered firms, WHERE TAXABLE INCOME IS BETWEEN Rs. 2,00,000 & Rs. 5,00,000

(For Assessment year 1978-79 and also for assessment year 1979-80)

Slab Rate	Income-tax 22%	Income-tax 24%	Income-tax 22%	Income-tax 24%
	Surcharge 15%	Surcharge 15%	Surcharge 15%	Surcharge 15%

Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS			Taxable income Rs.	IF INCOME FROM PROFESSION			IF INCOME OTHER THAN PROFESSION i.e. BUSINESS		
	I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax		I.T.	S.C.	Total Tax	I.T.	S.C.	Total Tax
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
100	22.00	3.30	25.30	24.00	3.60	27.60	100	22.00	3.30	25.30	24.00	3.60	27.60
200	44.00	6.60	50.60	48.00	7.20	55.20	200	44.00	6.60	50.60	48.00	7.20	55.20
300	66.00	9.90	75.90	72.00	10.80	82.80	300	66.00	9.90	75.90	72.00	10.80	82.80
400	88.00	13.20	101.20	96.00	14.40	110.40	400	88.00	13.20	101.20	96.00	14.40	110.40
500	110.00	16.50	126.50	120.00	18.00	138.00	500	110.00	16.50	126.50	120.00	18.00	138.00
600	132.00	19.80	151.80	144.00	21.60	165.60	600	132.00	19.80	151.80	144.00	21.60	165.60
700	154.00	23.10	177.10	168.00	25.20	193.20	700	154.00	23.10	177.10	168.00	25.20	193.20
800	176.00	26.40	202.40	192.00	28.80	220.80	800	176.00	26.40	202.40	192.00	28.80	220.80
900	198.00	29.70	227.70	216.00	32.40	248.40	900	198.00	29.70	227.70	216.00	32.40	248.40
1000	220.00	33.00	253.00	240.00	36.00	276.00	1000	220.00	33.00	253.00	240.00	36.00	276.00
2000	440.00	66.00	506.00	480.00	72.00	552.00	2000	440.00	66.00	506.00	480.00	72.00	552.00
3000	660.00	99.00	759.00	720.00	108.00	828.00	3000	660.00	99.00	759.00	720.00	108.00	828.00
4000	880.00	132.00	1012.00	960.00	144.00	1104.00	4000	880.00	132.00	1012.00	960.00	144.00	1104.00
200000	30850	4627.50	35477.50	34000	5100	39100	350000	63850	9577.50	73427.50	70000	10500	80500
205000	31950	4792.50	36742.50	35200	5280	40480	355000	64950	9742.50	74692.50	71200	10680	81880
210000	33050	4957.50	38007.50	36400	5460	41860	360000	66050	9907.50	75957.50	72400	10860	83260
215000	34150	5122.50	39272.50	37600	5640	43240	365000	67150	10072.50	77222.50	73600	11040	84640
220000	35250	5287.50	40537.50	38800	5820	44620	370000	68250	10237.50	78487.50	74800	11220	86020
225000	36350	5452.50	41802.50	40000	6000	46000	375000	69350	10402.50	79752.50	76000	11400	87400
230000	37450	5617.50	43067.50	41200	6180	47380	380000	70450	10567.50	81017.50	77200	11580	88780
235000	38550	5782.50	44332.50	42400	6360	48760	385000	71550	10732.50	82282.50	78400	11760	90160
240000	39650	5947.50	45597.50	43600	6540	50140	390000	72650	10897.50	83547.50	79600	11940	91540
245000	40750	6112.50	46862.50	44800	6720	51520	395000	73750	11062.50	84812.50	80800	12120	92920
250000	41850	6277.50	48127.50	46000	6900	52900	400000	74850	11227.50	86077.50	82000	12300	94300
255000	42950	6442.50	49392.50	47200	7080	54280	405000	75950	11392.50	87342.50	83200	12480	95680
260000	44050	6607.50	50657.50	48400	7260	55660	410000	77050	11557.50	88607.50	84400	12660	97060
265000	45150	6772.50	51922.50	49600	7440	57040	415000	78150	11722.50	89872.50	85600	12840	98440
270000	46250	6937.50	53187.50	50800	7620	58420	420000	79250	11887.50	91137.50	86800	13020	99820
275000	47350	7102.50	54452.50	52000	7800	59800	425000	80350	12052.50	92402.50	88000	13200	101200
280000	48450	7267.50	55717.50	53200	7980	61180	430000	81450	12217.50	93667.50	89200	13380	102580
285000	49550	7432.50	56982.50	54400	8160	62560	435000	82550	12382.50	94932.50	90400	13560	103960
290000	50650	7597.50	58247.50	55600	8340	63940	440000	83650	12547.50	96197.50	91600	13740	105340
295000	51750	7762.50	59512.50	56800	8520	65320	445000	84750	12712.50	97462.50	92800	13920	106720
300000	52850	7927.50	60777.50	58000	8700	66700	450000	85850	12877.50	98727.50	94000	14100	108100
305000	53950	8092.50	62042.50	59200	8880	68080	455000	86950	13042.50	99992.50	95200	14280	109480
310000	55050	8257.50	63307.50	60400	9060	69460	460000	88050	13207.50	101257.50	96400	14460	110860
315000	56150	8422.50	64572.50	61600	9240	70840	465000	89150	13372.50	102522.50	97600	14640	112240
320000	57250	8587.50	65837.50	62800	9420	72220	470000	90250	13537.50	103787.50	98800	14820	113620
325000	58350	8752.50	67102.50	64000	9600	73600	475000	91350	13702.50	105052.50	100000	15000	115000
330000	59450	8917.50	68367.50	65200	9780	74980	480000	92450	13867.50	106317.50	101200	15180	116380
335000	60550	9082.50	69632.50	66400	9960	76360	485000	93550	14032.50	107582.50	102400	15360	117760
340000	61650	9247.50	70897.50	67600	10140	77740	490000	94650	14197.50	108847.50	103600	15540	119140
345000	62750	9412.50	72162.50	68800	10320	79120	495000	95750	14362.50	110112.50	104800	15720	120520
350000	63850	9577.50	73427.50	70000	10500	80500	500000	96850	14527.50	111377.50	106000	15900	121900

Note :—(i) The total tax has to be rounded off to the nearest multiple of Re. 1.

(ii) if a firm has income atleast 51% from profession, the firm shall be deemed as professional firm.

INCOME-TAX ON CO-OPERATIVE SOCIETIES

Definition of co-operative society :

Under section 2(19) of the Income-tax Act, 1961, a "*co-operative society*" means a co-operative society registered under the Co-operative Society Act, 1912, or under any other law for the time being in force in any State for the registration of co-operative societies.

Deductions in respect of income of co-operative societies :

Section 80-P(1) exempts from the charge of income-tax a variety of income of a co-operative society either earned by the carrying on of a business or arising out of investments, though such exempted incomes are included in total income. To sum up—

Nature of income exempted and conditions governing such exemption [Sec. 80-P(2)]	Quantum of income so exempt
(a) in the case of a co-operative society engaged in the following activities— (i) Carrying on the business of banking or providing credit facilities to its members, or (ii) a cottage industry, or (iii) the marketing of the agricultural produce of its members, or (iv) the purchase of agricultural implements, seeds, live-stock or other articles intended for agriculture for the purpose of supplying them to its members, or (v) the processing, without the aid of power, of the agricultural produce of its members, or (vi) the collective disposal of the labour of its members, or (vii) fishing or allied activities, that is to say, the catching, curing, processing, preserving, storing or marketing of fish or the purchase of materials and equipment in connection there with for the purpose of supplying them to its members :	(a) the whole of the amount of profits and gains of business attributable to any one or more of such activities.

Provided that in the case of a Co-operative society engaged in any of the activities mentioned under sub-clause (vi) or sub-clause (vii) above, the rules and byelaws of the society restrict the voting rights to (1) the individuals who contribute their labour or, as the case may be, carry on the fishing or allied activities, (2) the co-operative credit societies which provide financial assistance to the society, and (3) the State Government.

Nature of income exempted and conditions governing such exemption [s. 80-P(2)]	Quantum of income so exempt
(b) in the case of a co-operative society, being a primary society engaged in supplying milk raised by its members to a federal milk co-operative society [or the government or a local body; or a government company or statutory corporation, engaged in supplying milk to the public w.e.f. A.Y. 1979-80] (c) in the case of a co-operative society engaged in activities other than those specified in clause (a) or clause (b) (either independently of, or in addition to, all or any of the activities so specified) ; (d) in respect of any Income by way of interest or dividends derived by the co-operative society from its investments with any other co-operative society ; (e) In respect of any income derived by the co-operative society from the letting of godowns or warehouses for storage, processing or facilitating marketing of commodities ; (f) in case of a co-operative society, not being a housing society or an urban consumers' society or a society carrying on transport business or a society engaged in the performance of any manufacturing operations with the aid of power, where the gross total income does not exceed Rs. 20,000 ;	(b) the whole of the amount of profits and gains of such business. (c) so much of its profits and gains attributable to such activities as does not exceed Rs. 20,000. (d) the whole of such income. (e) the whole of such income. (f) the amount of any income by way of interest on securities chargeable under section 18 or any income from house property chargeable under section 22.

Explanation—"Urban Consumers' Co-operative Society" means a society for the benefit of the consumers within the limits of a municipal corporation, municipality, municipal committee, notified area committee, town area, or cantonment.

In a case where the assessee is entitled also to the deduction under sections 80HH, 80HHA, 80J or 80JJ the deduction under this section, in relation to the sums specified in clause (a), or clause (b) or clause (c) above shall be allowed with reference to the income, if any, as referred to in those clauses included in the gross total income as reduced by the deductions under Sections 80HH, 80HHA, 80J and 80JJ.

Rates of income-tax

Income-tax :

	A.Y. 1978-79 and Advance Tax A.Y. 1979-80
(1) on the first Rs.10,000 of total income	15%
(2) on the next Rs.10,000 of total income	25%
(3) on the balance of total Income	40%

Sur-charge on income-tax :

The amount of income-tax computed at the rates given hereinabove shall be increased by a surcharge calculated on such income-tax at the rate of

15%

Example :—The income of a co-operative society for assessment year 1978-79 under various heads is as under :—

(i) Income from cottage Industry	Rs. 50,000
(ii) Income from marketing of the agricultural produce of its members	Rs. 10,000
(iii) Income from purchase of agricultural implements and supplying them to its members	Rs. 15,000
(iv) Interest from other co-operative societies	Rs. 5,000
(v) Income from house property chargeable under section 22	Rs. 5,000
(vi) Interest from Government securities chargeable under section 18	Rs. 12,000
(vii) Dividend from another co-operative society	Rs. 5,000
(viii) Profits and gains from other business activities	Rs. 25,000
Gross total income	Rs. 1,27,000

Compute the taxable income and tax payable thereon.

Solution :—

Computation of taxable income

Gross total income		Rs. 1,27,000
Less—Deductions under section 80-P		
—Income from cottage industry [s. 80 P(2)(a)(ii)]	Rs. 50,000	
—Income from marketing of agricultural produce of its members [s. 80 P(2)(a)(iii)]	Rs. 10,000	
—Income from purchase of agricultural implement and supplying them to its members [s. 80 P(2)(a)(iv)]	Rs. 15,000	
—Interest from other co-operative society [s. 80 P(2)(d)]	Rs. 5,000	
—Income from other business [Maximum allowable u/s. 80 P(2)(c)]	Rs. 20,000	Rs. 1,05,000
Taxable income		Rs. 22,000

Calculation of tax

—Income-tax on total income of Rs. 22,000	Rs. 4,800
—Surcharge	Rs. 720
Total tax	Rs. 5,520

Note—Deduction in respect of income from house property and interest income on Government securities has not been allowed under S. 80 P(f) since the gross total income of the society exceeds Rs. 20,000/-.

Note—(i) The total tax is to be rounded off to the nearest multiple of Re. 1.

INCOME-TAX & SURCHARGE for Co-operative Societies**WHERE TAXABLE INCOME IS BETWEEN Rs. 1,00,000 & Rs. 4,00,000****FOR ASSESSMENT YEAR 1978-79 & ALSO FOR ADVANCE TAX A. Y. 1979-80**

Slab Rate : Income Tax 40%
 Surcharge 15%

Income Tax 40%
 Surcharge 15%

Taxable Income Rs.	I. T. Rs. P.	S. C. Rs. P.	Total Tax Rs. P.	Taxable income Rs.	I. T. Rs. P.	S. C. Rs. P.	Total Tax Rs. P.
10	4.00	0.60	4.60	10	4.00	0.60	4.60
20	8.00	1.20	9.20	20	8.00	1.20	9.20
30	12.00	1.80	13.80	30	12.00	1.80	13.80
40	16.00	2.40	18.40	40	16.00	2.40	18.40
50	20.00	3.00	23.00	50	20.00	3.00	23.00
60	24.00	3.60	27.60	60	24.00	3.60	27.60
70	28.00	4.20	32.20	70	28.00	4.20	32.20
80	32.00	4.80	36.80	80	32.00	4.80	36.80
90	36.00	5.40	41.40	90	36.00	5.40	41.40
100	40.00	6.00	46.00	100	40.00	6.00	46.00
200	80.00	12.00	92.00	200	80.00	12.00	92.00
300	120.00	18.00	138.00	300	120.00	18.00	138.00
400	160.00	24.00	184.00	400	160.00	24.00	184.00
500	200.00	30.00	230.00	500	200.00	30.00	230.00
600	240.00	36.00	276.00	600	240.00	36.00	276.00
700	280.00	42.00	322.00	700	280.00	42.00	322.00
800	320.00	48.00	368.00	800	320.00	48.00	368.00
900	360.00	54.00	414.00	900	360.00	54.00	414.00
1000	400.00	60.00	460.00	1000	400.00	60.00	460.00
2000	800.00	120.00	920.00	2000	800.00	120.00	920.00
3000	1200.00	180.00	1380.00	3000	1200.00	180.00	1380.00
4000	1600.00	240.00	1840.00	4000	1600.00	240.00	1840.00
5000	2000.00	300.00	2300.00	5000	2000.00	300.00	2300.00
6000	2400.00	360.00	2760.00	6000	2400.00	360.00	2760.00
7000	2800.00	420.00	3220.00	7000	2800.00	420.00	3220.00
8000	3200.00	480.00	3680.00	8000	3200.00	480.00	3680.00
9000	3600.00	540.00	4140.00	9000	3600.00	540.00	4140.00
10000	36000	5400	41400	20000	76000	11400	87400
105000	38000	5700	43700	210000	80000	12000	92000
110000	40000	6000	46000	220000	84000	12600	96600
115000	42000	6300	48300	230000	88000	13200	101200
120000	44000	6600	50600	240000	92000	13800	105800
125000	46000	6900	52900	250000	96000	14400	110400
130000	48000	7200	55200	260000	100000	15000	115000
135000	50000	7500	57500	270000	104000	15600	119600
140000	52000	7800	59800	280000	108000	16200	124200
145000	54000	8100	62100	290000	112000	16800	128800
150000	56000	8400	64400	300000	116000	17400	133400
155000	58000	8700	66700	310000	120000	18000	138000
160000	60000	9000	69000	320000	124000	18600	142600
165000	62000	9300	71300	330000	128000	19200	147200
170000	64000	9600	73600	340000	132000	19800	151800
175000	66000	9900	75900	350000	136000	20400	156400
180000	68000	10200	78200	360000	140000	21000	161000
185000	70000	10500	80500	370000	144000	21600	165600
190000	72000	10800	82800	380000	148000	22200	170200
195000	74000	11100	85100	390000	152000	22800	174800
200000	76000	11400	87400	400000	156000	23400	179400

Note—(i) The total tax is to be rounded off to the nearest multiple of Re. 1.

TAXATION OF COMPANIES

DEFINITION OF "COMPANY" [Section 2(17)]

"Company" means—

- (i) any Indian company, or
- (ii) any body corporate incorporated by or under the laws of a country outside India, or
- (iii) any institution, association or body which is or was assessable or was assessed as a company for any assessment year under the Indian income tax Act, 1922(11 of 1922) or which is or was assessable or was assessed under this Act, as a company for any assessment year commencing on or before 1st day of April, 1970, or
- (iv) any institution, association or body, whether incorporated or not and whether Indian or non-Indian, which is declared by general or special order of the Board to be a company:

Provided that such institution, association or body shall be deemed to be a company only for such assessment year or assessment years (whether commencing before the 1st day of April, 1971 or on or after that date) as may be specified in the declaration.

DOMESTIC COMPANY [Clause 2(7)(b) of the Finance Act, 1978]

"Domestic company" means an Indian company, or any other company which in respect of its income liable to income-tax under the Income-tax Act, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act.

INDUSTRIAL COMPANY [Clause 2(7)(e) of the Finance Act, 1978]

"Industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation—A company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income.

COMPANY IN WHICH THE PUBLIC ARE SUBSTANTIALLY INTERESTED [Section 2(18)]

A company is said to be a company in which the public are substantially interested—

- (a) if it is a company owned by the Government or the Reserve Bank of India or in which not less than forty per cent. of the shares are held (whether singly or taken together) by the Government or the Reserve Bank of India or a corporation owned by that bank; or
- (aa) if it is a company which is registered under s. 25 of the Companies Act, 1956; or
- (ab) if it is a company having no share-capital and if, having regard to its objects, the nature and composition of its membership and other relevant considerations, it is declared by order of the Board, to be a company in which the public are substantially interested:

Provided that such company shall be deemed to be a company in which the public are substantially interested only for such assessment year or assessment years (whether commencing before the 1st day of April, 1971 or on or after that date) as may be specified in the declaration; or

- (b) if it is a company which is not a private company as defined in the Companies Act, 1956 and the conditions specified either in item (A) or item (B) are fulfilled; namely—

- (A) shares in the company (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) were, as on the last day of the relevant previous year, listed in a recognised stock exchange in

India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and any rules made thereunder;

- (B) (i) shares in the company (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than fifty per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and were throughout the relevant previous year beneficially held by—
- (a) the Government, or
 - (b) a corporation established by a Central, State, or Provincial Act, or
 - (c) any company to which this clause applies or any subsidiary company of such company where such subsidiary company fulfils the conditions laid down in clause (b) of section 108 (hereafter in this clause referred to as the subsidiary company), or
 - (d) the public (not being a director, or a company to which this clause does not apply);
- (ii) the said shares were, during the relevant previous year, freely transferable by the holder to the other members of the public and
- (iii) the affairs of the company, or the shares carrying more than fifty per cent. of its total voting power were at no time, during the relevant previous year, controlled or held by five or less persons.

Explanation 1—In computing the number of five or less persons aforesaid—

(i) the Government or any corporation established by a Central, State or Provincial Act or a company to which this clause applies or the subsidiary company of such company shall not be taken into account, and

(ii) persons who are relatives of one another, and persons who are nominees of any other person together with that other person, shall be treated as a single person.

Explanation 2—In its application to an Indian company whose business consists mainly in the construction of ships or in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, item (B) shall have effect as if for the words "not less than fifty per cent." and "more than fifty per cent.", the words "not less than forty per cent." and "more than sixty per cent." had, respectively, been substituted.

SPECIAL PROVISIONS APPLICABLE TO COMPANIES:

The Income-tax Act, 1961 contains (apart from the general provisions applicable to all assesseees) special provisions applicable to companies. These extend from the furnishing of a return of income to the collection or recovery of tax, through the quantification of income. To sum up—

1. *Signature and verification of return of income.*—Section 140(c) of the Act requires that the return of income should be signed by the "managing director thereof or where for any unavoidable reason such managing director is not able to sign and verify the return, or where there is no managing director by any director thereof.

2. *Documents accompanying the return*—Rule 12(1)(a) of the Income-tax Rules, 1962 prescribes that in the case of a company, the return of income shall be in Form No. 1. Part VI thereof provides that the return should be accompanied by "a copy of the manufacturing accounts or trading accounts, the profit and loss account and balance sheet or trial balance". A copy of the auditor's report and certificates must also be attached.

3. *Serving of notice on a company*—Section 282(2)(b) provides that a notice or requisition in the case of a company may be addressed to the principal officer of the company. Section 282 (1) states that the notice or requisition may be served on the principal officer, either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908).

4. *Residential status*—Section 6(3) enacts that a company is said to be resident in India in any previous year, if—

- (i) it is an Indian company; or
- (ii) during that year, the control and management of its affairs is situated wholly in India.

5. *Certain amounts not deductible in computing the income chargeable under the head "Profits and gains of business or profession"*—

Section 40(c) provides that in the computation of profits and gains of a company, the following kinds of expenses and allowances, to the extent any such expenditure or allowance in the opinion of Income-tax Officer is excessive or unreasonable having regard to the legitimate needs of the company, will be disallowed—

- (i) any expenditure which results directly or indirectly in the provision of any remuneration or benefit or amenity to a director or to a person who has a substantial interest in the company or to a relative of the director or of such person, as the case may be,
- (ii) any expenditure or allowance in respect of any assets of the company used by any person referred to in sub-clause (i), either wholly or partly for his own purposes or benefit.

It further provides that the maximum deduction on account of such expenditure or allowance will be subject to an overall ceiling limit of Rs. 72,000 in respect of any one director or a person who has a substantial interest in the company or a relative of a director or of such person.

However, the maximum deduction of Rs. 72,000 or as calculated at the rate of Rs. 6,000 per month or part thereof, as the case may be, will be exclusive of the following items of expenditure—

- (i) the value of any travel concession or assistance referred to in clause 5 of section 10;
- (ii) passage moneys or the value of any free or concessional passage granted to an employee who is not a citizen of India, his spouse and children in connection with his proceeding to his home country out of India, whether on leave or on retirement or termination from service;
- (iii) any sum paid by the employer by way of contribution to an employee's account in any recognised provident fund or to an approved superannuation fund or to an approved gratuity fund;
- (iv) any expenditure incurred by a company for promoting family planning amongst its employees.

Section 40(d) of the Income-tax Act provides that in the case of a banking company, the amounts which have been allowed as a deduction in computing the income chargeable under the head "Interest on securities" will be disallowed while computing the profits and gains of business.

Section 40A(8) provides that 15% of the interest paid by non-banking non-financial companies on deposits received by them from the public will be disallowed in computing their total income.

The word "deposit" means any deposit of money with, and includes any money borrowed by, a company, but does not include any amount received by the company—

- (i) from the Central Government or any State Government or any local authority, or from any other source where the repayment of the amount is guaranteed by the Central Government or a State Government;
- (ii) from the Government of a foreign State, or from a citizen of a foreign State, or from any institution, association or body (whether incorporated or not) established outside India;
- (iii) as a loan from a banking company or from a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank);
- (iv) as a loan from any institution or body specified in the list in the Tenth Schedule or such other institution or body as the Central Government may, having regard

to the nature and objects of the institution or body, by notification in the Official Gazette, specify in this behalf;

- (v) from any other company;
- (vi) from an employee of the company by way of security deposit;
- (vii) by way of security or as an advance from any purchasing agent, selling agent or other agent in the course of, or for the purpose of, the business of the company or as advance against orders for the supply of goods or for the rendering of any service;
- (viii) by way of subscription to any share, stock, bond or debenture (such bond or debenture being secured by a charge or a lien on the assets of the company) pending the allotment of the said share, stock, bond or debenture, or by way of advance payment of any moneys uncalled and unpaid upon any shares in the company, if such moneys are not repayable in accordance with the articles of association of the company;
- (ix) as a loan from any person where the loan is secured by the creation of a mortgage, charge or pledge of any assets of the company with a margin of at least 25%.

6. *Certain amounts not deductible in computing the income chargeable under the head "Income from other sources"*—Section 58(b) provides that in computing the income chargeable under the head "Income from other sources", any expenditure or allowance of nature referred to in clause (c) of section 40 will be disallowed. However, as it would be noticed, the disallowance under this section is not subject to the opinion of the Income-tax Officer.

7. *Ceiling limits in respect of head office expenses* :—Under section 44C of the Income-tax Act, 1961 in case of an assessee, being a non-resident, the deduction in respect of foreign head office expenses, with effect from 1st June 1976, will be limited to—

- (i) an amount equal to 5 per cent. of the adjusted total income of the taxpayer for the relevant year; or
- (ii) the annual average of the head office expenditure allowed during a base period of three previous years

- (iii) the actual amount of head office expenditure attributable to the business in India;

whichever is the least.

In case where the adjusted total income of the non-resident for the relevant year is a loss, the rate of 5 per cent. referred to in (i) above will be applied with reference to the average adjusted total income of the non-resident for three previous years immediately preceding the relevant assessment year. The term "head office expenditure", as defined for the purposes of this provision, means executive and general administration expenditure incurred by the non-resident assessee outside India, including expenditure in respect of—

- (a) rent, rates, taxes, repairs or insurance of premises, outside India;
- (b) salary, bonus, commission etc. paid to any employee or other person employed in, or managing the affairs of, any office outside India;
- (c) travelling by any such employee or other person outside India; and
- (d) such other matters connected with executive and general administration as may be prescribed by the Board.

8. *Deduction of expenditure for collecting interest on securities in a banking company*—Section 20(1)(i) enacts that in computing income under the head "Interest on securities", in the case of a banking company, a sum reasonably expended by it for collecting interest would be allowed as a deduction.

9. *Deduction for development rebate*—Under a scheme of amalgamation, if an amalgamating company sells or transfers any ship, machinery or plant on which it had obtained any development rebate/relief to a amalgamated company, the latter should continue to fulfil the terms and conditions on which the former obtained the development rebate [s. 33(3)(a)]. In default, the provisions of sub-section (5) of section 155 shall apply to the amalgamated company.

If the amalgamated company continues to fulfil the terms and conditions aforesaid, it will be entitled to carry forward in its assessments any outstanding development rebate due to the amalgamating company.

All that has been said above, applies also to a case where a firm sells or transfers any ship, machinery or plant to a company and the company succeeds to the business carried on by the firm. This benefit accrues only if the firm and the company satisfy certain conditions [s. 33(4)].

10. Carry forward of 'capital loss'—By virtue of proviso to section 74(1)(a)(ii), an assessee other than a company is not permitted to carry forward to set off any loss arising to it from transfer of a long-term capital asset, unless such loss exceeds Rs. 5,000. This restriction, however, does not apply to a company assessee. A company can carry forward all long-term capital losses, irrespective of the amount of loss.

11. No carry forward of loss in a "closely-held company"—Section 79 enacts that where a change in share-holding has taken place in a previous year, in a "closely-held company", no loss sustained by the company in an earlier accounting year shall be carried forward to be set-off against the income of the previous year, in question, unless at least fifty-one per cent. shares in the company were beneficially held by the same persons both on the last day of the previous year in which the loss was incurred and also on the last day of the previous year against whose income or loss is sought to be set-off, or the Income-tax Officer is satisfied that the change in the share-holding was not effected with a view to avoiding or reducing any liability to tax.

12. No capital gain arising on distribution of assets by a company in liquidation—Section 46(1) enacts that where assets are distributed to shareholders on the liquidation of a company, no capital gains result to the company. But, in the hands of the shareholder, the position would be different. He would be chargeable under "capital gains" on the difference between the cost of his investment and the full value of the consideration received by him from the liquidator. The full value of the consideration would be computed at the aggregate of any monies received by him from the liquidator and the market value of the assets as on the date of distribution, *minus* the amount received by him as dividend under sec. 2(22)(c) of the Act.

13. No capital gain on transfer of assets to a subsidiary company—Section 47(iv) enacts that no capital gain arises by virtue of a transfer of a capital asset by a holding company to a subsidiary, where the subsidiary is an Indian company.

14. No capital gain on transfer by a subsidiary company to a holding company—Section 47(v) enacts that any transfer of capital assets by a subsidiary company to the holding company which is an Indian company, would not result in capital gains.

15. No profit arising on amalgamation of companies—On an amalgamation of companies, involving a transfer or sale of assets by one company to another, no profit would arise to the transferor company [sec. 47(vi)].

16. Foreign income of a company should not be regarded as received in India by its being taken into account in a balance sheet prepared in India—By virtue of Explanation 1 to section 5(2), the income accruing or arising outside India to a company shall not be deemed to be received in India for the purpose of computing its total income, by reason only of the fact that such income is taken into account in a balance-sheet prepared in India.

17. Capital gains tax in the case of companies—Short-term capital gains are treated at par with other ordinary income of the company. The long-term capital gains are taxed at the following rates :—

		A. Y. 1978-79 & 1979-80
(a) Long-term capital gains relating to land & building or any rights therein		
(i) In case of widely-held companies having taxable income not exceeding Rs. 1 Lakh (other than long-term capital gains)		40%
(ii) In any other case		50%
(b) Long-term capital gains relating to other assets		40%

DEDUCTION TO BE MADE IN COMPUTING TOTAL INCOME OF A COMPANY

Provision	Assessment years 1974-75 & 1975-76	Assessment years 1976-77 to 1979-80
80-H. Deduction in case of new industrial undertaking employing displaced persons, etc. This section applies to any industrial undertaking which fulfills the following conditions, namely:— (i) It is not formed by the splitting up or reconstruction of an existing business [S. 80-H(2)(i)]; (ii) It is not formed by the transfer to a new business of a building, machinery or plant previously used for any purpose [S. 80-H(2)(ii)]; (iii) It has begun or begins to manufacture or produce articles in any part of India at any time within a period of three years next following the 1st day of April, 1967 [S. 80-H(2)(iii)]; (iv) It employs on every working day throughout the previous year forty or more workers in a manufacturing process [S. 80-H(2)(iv)] and; (v) It employs displaced persons or repatriates or members of the families of displaced persons or repatriates (here in after referred to as rehabilitated employees) and the daily average number of such rehabilitated employees is not less than sixty per cent. of the daily average number of all the persons employed in the undertaking throughout the previous year [S. 80-H(2)(v)]	A deduction in computing the total income of amount equal to 50% of the profits and gains from such business or one lakh of rupees: whichever is the less The relief under this section is permissible from the assessment year relevant to the assessment year in which the undertaking begins to manufacture or produce articles and the nine assessment years immediately succeeding.	OMITTED BY THE TAXATION LAWS (AMENDMENT) ACT, 1975 WITH EFFECT FROM 1st April 1976
80-HH. Deduction in respect of profits and gains from newly established industrial undertaking or hotel business in backward areas. This section applies to— (i) an industrial undertaking (other than those engaged in mining) which fulfils all the following conditions, namely:— (i) It has begun or begins to manufacture or produce articles after the 31st day of December, 1970 in any backward area (specified in the Eighth Schedule to the Income-tax Act) [S. 80HH(2)(i)]; (ii) it is not formed by the splitting up, or the reconstruction, of a business already in existence in any backward area; Provided that this condition shall not apply in respect of any industrial undertaking which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such industrial undertaking as referred to in section 33-B in the circumstances and within the period specified in that section [S. 80HH(2)(ii)]; (iii) It is not formed by the transfer to a new business of machinery or plant previously used for any purpose in any backward area [S. 80HH(2)(iii)]; (iv) It employs ten or more workers in a manufacturing process carried on with the aid of power or employs twenty or more workers in a manufacturing process carried on without the aid of power [S. 80HH(2)(iv)]; <i>Explanation</i>—where any machinery or plant or any part thereof previously used for any purpose in any backward area is transferred to a new business in that area or in any other backward area and the total value of the machinery or plant or part so transferred does not exceed twenty per cent. of the total value of the machinery or plant used in the business; then, the condition specified above under (iii) shall be deemed to have been fulfilled.	In computing the total income of the assessee a deduction from such profits and gains of an amount equal to 20% thereof [S. 80HH(1)]. NOTES: (1) In the case of industrial undertaking which begins to manufacture or produce articles or the business of the hotel which starts functioning after the 31st day of March, 1973, the deduction will be allowed in respect of the ten assessment years beginning with the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or the business of the hotel starts functioning [S. 80HH(4)]. (2) In the case of industrial undertaking which began to manufacture or produce articles or the business of the hotel started functioning before the 1st day of April, 1973 but after the 31st day of December, 1970, the period for which the concession is available will however, be reduced by the number of assessment years expiring before the 1st day of April 1974 [S. 80HH(4)]. (3) In a case where the assessee is entitled also to the deduction u/s 80H, the deduction under this section shall be allowed with reference to the amount of such profits and gains as reduced by the deduction u/s 80-H in relation to such profits and gains [S. 80HH(8)]. (4) In a case where the assessee is entitled also to the deduction u/s 80-H effect shall first be given to the provisions of this section [S. 80 HH(9)].	

DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME OF A COMPANY

Provisions	Assessment years 1974-75 & 1975-76	Assessment years 1976-77 to 1979-80
(2) the business of any hotel where all the following conditions are fulfilled;— (i) the business of the hotel has started functioning after the 31st day of December, 1970 in any backward area specified in the Eighth Schedule to the Income-tax Act [S.80HH(3) (i)]; (ii) the business of the hotel is not formed by the splitting up, or the reconstruction of a business already in existence [S.80HH(3) (ii)]; (iii) the hotel is for the time being approved for the purposes of this section by the Central Government [S.80HH(3)(iii)] Applicable for assessment year 1978-79 and subsequent years Where a deduction in relation to the profits and gains of a small scale industrial undertaking to which new section 80HHA applies, is claimed and allowed under that section for any assessment year, deduction in relation to such profits and gains shall not be allowed under section 80HH. for the same or any other assessment year. 80HHA. Deduction in respect of profits and gains from newly established industrial undertaking or hotel business in rural areas. This section applies to— (1) a small scale industrial undertaking (other than those engaged in mining) which fulfills all the following conditions namely :— (i) it begins to manufacture or produce articles after 30th day of Sept. 1977, in any rural area as defined in section 35CC(1) (specified in the Eighth Schedule to the Income-tax Act, [S. 80HHA(2)(i)] (ii) it is not formed by the splitting up or, the reconstruction of a business already in existence : Provided that this condition shall not apply in respect of any industrial undertaking which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such industrial undertaking as referred to in section 33-B, in the circumstances and within the period specified in that section [S. 80HHA(2)(ii): (iii) It is not formed by the transfer to a new business of machinery or plant previously used for any purpose in any backward area [S. 80HHA(2) (iv); (iv) it employs ten or more workers in a manufacturing process carried on with the aid of power, or employed twenty or more workers in manufacturing process carried on without the aid of power [80HHA (2)(iv)]; <i>Explanation—Where any machinery or plant or any part thereof previously used for any purpose is transferred to a business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent. of the total value of the machinery or plant used in the business, then, the condition specified above under (iii) shall be deemed to have been fulfilled.</i> <i>Note :—Where a deduction in relation to the profits and gains of a small scale industrial undertaking to which section 80HH. applies, is claimed and allowed under that section for any assessment year, deduction in relation to such profits and gains shall not be allowed under this section for the same or any other assessment year.</i>	NEW SECTION INSERTED BY THE FINANCE (NO.2) ACT 1977 EFFECTIVE FROM THE 1st day OF APRIL 1978	Applicable from A. Y. 1978-79 and subsequent years In computing the total income of the assessee, a deduction from such profits and gains of amount equal to 20% thereof [S. HH (1)]. NOTES : (1) the deduction will be allowed in respect of the ten assessment years beginning with the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles [S. 80 HHA (3)] (2) In a case where assessee is entitled also to the deduction u/s 80-J, effect shall first be given to the provisions of this section [S. 80 HH (9)].

DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME OF A COMPANY

Provision	Assessment years 1974-75 & 1975-76	Assessment years 1976-77 to 1979-80
80-J : Deduction in respect of profits and gains from newly established industrial undertakings or ships or hotel business in certain cases.	A deduction, in computing the total income of the company, from such profits and gains (as reduced by the aggregate of the deduction, if any, admissible to the company u/s 80-H and S.80HH) of so much of the amount thereof as does not exceed the amount calculated at the rate of 6% per annum on the capital employed in the industrial undertaking, ship or business of a hotel.	(i) in respect of industrial undertaking begins to manufacture or produce articles or to operate its cold storage plant or plants before 1st April, 1976 or the ship is first brought into use before 1st April, 1975.
This section applies to— (1) an industrial undertaking fulfilling the following conditions, namely :—	The deduction of 6%, will be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles, or the ship is first brought into use, or the business of the hotel starts functioning, or the cold storage plant commences to operate (such assessment year hereafter referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year.	A deduction, computing the total income of the company from such profits and gains (as reduced by the deduction, if any, admissible to the company u/s 80-HH or 80-HHA) of so much of the amount thereof as does not exceed the amount calculated at the rate of 7.5% per annum on the capital employed in the industrial undertaking, cold storage plant, ship, or business of a hotel.
(a) it is not formed by the splitting up or the reconstruction of a business already in existence [S. 80-J(4)(i)];	The deduction of 6%, will be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or the ship is first brought in to use or the business of the hotel starts functioning, or cold storage plant commences to operate (such assessment year hereafter referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year.	The deduction of 6%, will be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or the ship is first brought in to use or the business of the hotel starts functioning, or cold storage plant commences to operate (such assessment year hereafter referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year.
However, this condition shall not apply in respect of any industrial undertaking which is rehabilitated as is referred to in section 33-B in the circumstances and within the period specified in that section [Proviso to S. 80-J(4)];	(ii) in respect of industrial undertaking begins to manufacture or produce articles or to operate its cold storage plant or plants after 31st March 1976 or the ship is first brought into use after 31st March 1976.	(ii) in respect of industrial undertaking begins to manufacture or produce articles or to operate its cold storage plant or plants after 31st March 1976 or the ship is first brought into use after 31st March 1976.
(b) it is not formed by the transfer to a new business of a building (not being a building taken on rent or lease), machinery or plant previously used for any purpose [S. 80-J(4)(ii)];	A deduction, in computing the total income of the company from such profits and gains (as reduced by the deduction, if any, admissible to the company u/s 80-HH) of so much of the amount thereof as does not exceed the amount calculated at the rate of 7.5% per annum on the capital employed in the industrial undertaking, cold storage plant, ship, or business of a hotel.	A deduction, in computing the total income of the company from such profits and gains (as reduced by the deduction, if any, admissible to the company u/s 80-HH) of so much of the amount thereof as does not exceed the amount calculated at the rate of 7.5% per annum on the capital employed in the industrial undertaking, cold storage plant, ship, or business of a hotel.
Explanation —Where any old building, machinery or plant is transferred to a new business, and the total value of the building, machinery or plant so transferred does not exceed 20% of the total value of the building, machinery or plant used in the business, then this condition shall be deemed to have been complied with and the total value of the building machinery or plant so transferred shall not be taken into account in computing the capital employed in the industrial undertaking.	the deduction at 7.5% on capital employed will be allowed in computing the total income in respect of assessment year relevant to previous year in which the industrial undertaking begins to manufacture or produce articles, or the ship is first brought into use, or the business of the hotel starts functioning, or the cold storage plant commences to operate (such assessment year hereafter referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year.	the deduction at 7.5% on capital employed will be allowed in computing the total income in respect of assessment year relevant to previous year in which the industrial undertaking begins to manufacture or produce articles, or the ship is first brought into use, or the business of the hotel starts functioning, or the cold storage plant commences to operate (such assessment year hereafter referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year.
Note —With effect from 1st April 1966, the words "a building (not being a building taken on rent or lease)" have been deleted from section 80J(4)(ii). By virtue of this amendment, the deduction u/s 80J shall be available even in cases where the new industrial undertaking is set up in an existing building but the value of such building will not be taken into consideration while computing the capital employed in the industrial undertaking.	(d) the hotel is approved for the time being by the Central Government [S. 80-J(6)(d)].	
in case where an undertaking is set up with second-hand machinery imported from abroad, provided that such machinery or plant has not been used in India previously at any time for any purpose, and it has not also been previously used abroad at any time for any purpose by the assessee and no depreciation has been allowed or is allowable under the provisions of Indian Income-tax Act in computing the income of any person for any period prior to the date of installation (Explanation 1 to section 80 J)	(c) it manufactures or produces articles in any part of India and has begun or begins to manufacture or produce articles at any time within a period of thirty three years from 1st April, 1948 [S. 80-J(4)(iii)].	
(d) such industrial undertaking employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power [S. 80-J(4)(iv)].		
(ii) a hotel business fulfilling all the following condition namely :		
(a) the business of the hotel is owned and carried on by a company registered in India with a paid-up capital of not less than Rs. five lakhs [S. 80-J(6)(b)].		
(b) the business of the hotel should start functioning on or after 1st April, 1961, but before the 1st day of April, 1981 [S. 80-J(6)(e)];		
(c) it should not have been formed by the splitting up or the reconstruction of a business already in existence or by transfer to the new business of —		
(1) building previously used as a hotel,		
or		
(2) machinery or plant previously used for any purpose [S. 80-J(6)(a)].		
Explanation In case where a building previously used as a hotel premises or machinery and plant previously used for any purpose are transferred to the undertaking, the exemption would still be available provided the value of the assets so transferred does not exceed 20% of the total value of the building, machinery or plant used in the business. Such transferred assets, however, will not be taken into account in computing the capital employed in the business.		

Provision	Assessment years 1974-75 & 1975-76	Assessment years 1976-77 to 1979-80
(iii) a shipping business fulfilling all the following conditions, namely:— (a) the ship must be owned by an Indian company and must be wholly used for the purpose of the business carried on by it [S. 80-J(5)(i)]; (b) it must not have been, previously to the date of its acquisition by the Indian company, owned and used in Indian territorial water by a person resident in India [S. 80-J(5)(ii)]; and (c) it must be brought into use by the Indian company at any time on or before 31st March, 1981 [S. 80-J(5)(iii)]. (iv) a cold storage plant:— (1) the relief commences from the day when the cold storage plant commences to operate, i.e., ready to receive articles for storage [S. 80-J(2)]. (2) the plant must operate in some part of India to claim the relief, at any time within a period of thirty three years from 1st April, 1948 [S. 80-J(4)(iii)]. 80-JJ. Deduction in respect of profits & gains from business of Live-stock breeding or Poultry or dairy farming:— Under this section, the relief is available to an assessee in respect of the profits and gains derived from a business of live-stock breeding, or poultry or dairy farming. 80-K. Deduction in respect of dividends attributable to profits and gains from new industrial undertakings or ships hotel business. As section 80-J gives relief to industrial undertakings, ships or business of a hotel or coldstorage, section 80-K gives relief to share-holders thereof. The relief is limited to so much of the dividend as is attributable to the profits and gains derived by the company from an industrial undertaking or ship or the business of hotel or coldstorage on which no tax is payable U/s 80-J. 80-M. Deduction in respect of certain inter-corporate dividends: This relief is available to an assessee company in respect of the dividend income from a domestic company by way of straightway deduction in computation of the total income. <i>Note:</i> Where the company is entitled also to the deduction under sec 80-K in respect of dividends received by it, the deduction under s. 80-M will be allowed with reference to the amount of the dividends as reduced by the deductions under s. 80-K [S. 80-M(2)]. 80-MM Deduction in the case of an Indian company in respect of royalties, commission, fees etc. received from any concern in India. (1) The deduction is available to an Indian company (for the A.Y. 1974-75 the assessee may be either an Indian Company or a person resident in India). [S. 80-MM (1)]; (2) The relief is in respect of pure income receipts, such as royalty, commission, fees etc. but not in respect of capital gains or income eligible for a deduction under section 80-O[S.80-MM(1) read with S. 80-MM(3)]; (3) Such payments should be received as consideration for the provision of or for rendering services in connection with the provision of such technical know how [S. 80-MM (1)(i)&(ii)]; (4) Such payments should be received under an agreement entered into between the assessee and such person on or after 1.4. 1969 for which approval of the Board is sought for before the 1st October of the relevant assessment year [S. 80-MM(1) read with proviso].	New section inserted by the Finance Act, 1975 effective from 1st April, 1976 A deduction, in computation of the total income, equal to such part of the dividend as is attributable to the profits and gains of the company on which no tax is payable by the company. (i) Where the assessee is a domestic company, in respect of such income by way of dividends—60% of such income. (ii) Where the assessee is a foreign company, in respect of such income by way of dividends—65% of such income, Deduction in computation of the total income, of an amount equal to 40% of the income by way of royalty, commission, fees, etc.	A deduction in computing the taxable profits of an amount equal to 1/3rd of the profits derived from these sources or a sum of Rs. 10,000 whichever is higher. <i>Note:</i>-- By virtue of the proviso to s.80-K inserted by the Finance Act, 1975, the deduction under this section will not be available in respect of dividends attributable to the profits and gains derived by the company from an industrial undertaking which begins to manufacture or produce articles or to operate its cold storage plant or plant is after 31st March 1976 or from a ship brought into use after that date or from the business of a hotel which starts functioning after that date. (a) where the assessee is a domestic company— (i) in respect of such income by way of dividends from a company formed and registered under the Companies Act, 1956 after the 28th day of February, 1975 and engaged exclusively or almost exclusively in the manufacture or production of fertilisers, paper, pulp and newsprint, cement and pesticides [nonferrous metals, ferroalloys and special steel, steel castings, and forgings, electric motors, industrial and agricultural machinery, earth moving machinery, tools, soda-ash, caustic soda, commercial vehicles, ships, tyre tubes, inorganic heavy chemicals, organic heavy chemicals and industrial explosives effective from assessment year 1977-78] the whole of such income. (ii) in respect of such income by way of dividends other than the dividends referred to in subclause (i) above -60% of such income. (b) where the assessee is a foreign company in respect of such income by way of dividends -65% of such income <i>Note:</i>--with effect from 1st June 1976 no deduction as mentioned in clause b) above will be allowed to the foreign company. Same as for assessment year 1974-75.

DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME OF A COMPANY

Provisions	Assessment years 1974-75 & 1975-76	Assessment years 1976-77 to 1979-80
80-N. Deduction in respect of dividends from certain foreign companies. (1) The assessee is an Indian company (for the assessment year 1974-75 the assessee may be either an Indian company or a person who is resident in India) (2) The income received by way of, dividends is from a foreign company. (3) The dividend income is received in convertible foreign exchange in India or having been received in convertible foreign exchange outside India or having been converted into convertible foreign exchange outside India, is brought into India by the assessee or on his behalf in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange. (4) The allotment of shares by foreign company is in consideration of any patent, invention, model design, secret formula or process or similar property right or information concerning industrial, commercial or scientific knowledge experience or skill made available or agreed to be made available or provided to the foreign company or in consideration of technical services rendered or agreed to be rendered to the foreign company, (5) The agreement is approved by the Board. (6) The application for such approval is made to the Board before the 1st day of October of the relevant assessment year.	Deduction in computation of the total income, of the whole of the income so received or brought into India.	Same as for assessment year 1974-75
80-O. Deduction in respect of royalties etc. received from certain foreign enterprises : (1) The assessee is an Indian company (for assessment year 1974-75, the assessee is either an Indian company or a person who is resident in India); (2) The income received by way of royalty, commission, fees etc. is either from a foreign Government or from a foreign enterprise, whether or not such foreign enterprise is organised as a company in consideration for the use outside India of any patent, invention, model, design, secret formula or process made available or provided to such foreign Government or foreign enterprise ; (3) Such income is received in or brought into, India by the assessee or on his behalf in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange. (4) The agreement is approved by the Board	Deduction, in computation of the total income, of the whole of the income so received or brought into India.	Same as for assessment year 1974-75
80-QQ. Deduction in respect of profits and gains from the business of publication of books : Under this section, the relief is available to an assessee in respect of the profits and gains derived from a business, carried on in India, of printing and publication, or publication of books [S. 80QQ(1)]. The word "books" does not include newspapers, journals, magazines, diaries, brochures, tracts, pamphlets and other publications of a similar nature, by whatever name called [S. 80QQ(3)]	A deduction, in computation of the total income, of an amount equal to 20% of the profits and gains from the printing and publication of books or the publication of the books. In a case where the assessee is entitled also to the deduction under ss. 80-H, 80-HH, 80-J and 80-P, the deduction under this section will be allowed on such publication income as reduced by the deduction allowable under ss. 80-H, 80-HH, 80-J & 80-P	A deduction, in computation of the total income, of an amount equal to 20% of the profits and gains from the printing and publication of books or publication of books, In a case where the assessee is entitled also to the deduction under ss. 80-HH, 80 HHA, 80-J and 80-P the deduction under this section will be allowed on such publication income as reduced by the deduction allowable under ss. 80-HH, 8HHA 80-J & 80-P.
80-V. Deduction of interest on money borrowed to pay taxes. This relief is available to an assessee in respect of interest paid on money borrowed for the payment of income-tax due under the Income-tax Act, 1961	New section inserted by the Taxation Laws (Amendment) Act. 1975 - effective from 1st April, 1976.	A deduction in computation of the total income of any interest paid on any money borrowed for the payment of any tax due from him under the income tax Act.
80-VV. Deduction in respect of expenses incurred in connection of proceedings before the Income-tax authorities. Under this section, the expenses incurred by an assessee in the previous year on any tax proceedings under the Income-tax Act before any Income-tax authority or the Appellate Tribunal or any court are allowable.	New section inserted by the Taxation Laws (Amendment) Act. 1975-effective from 1st April 1976.	A deduction in computation of the total income in respect of expenses incurred on such proceedings to a ceiling of Rs. 5,000

INCIDENCE OF TAX ON COMPANIES

For income-tax purpose, there are broadly three types of companies—

- A. Domestic company in which the public are substantially interested (widely-held domestic company).
- B. Domestic company in which the public are not substantially interested (closely-held domestic company)
- C. Foreign company (which has not made the prescribed arrangements for the declaration and payment of dividends within India).

A. DOMESTIC COMPANY IN WHICH THE PUBLIC ARE SUBSTANTIALLY INTERESTED :

These are domestic companies in which the public are substantially interested or which are subsidiary of such companies if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year.

Rates of income-tax

Applicable for assessment year 1978-79 and advance tax assessment year 1979-80

- (a) in a case where the total income does not exceed Rs. 1,00,000; 45% of the total income;
- (b) in a case where the total income exceeds Rs. 1,00,000 55% of the total income

Provided that—

where the total income exceeds Rs. 1,00,000, the income-tax shall not exceed the aggregate of—

- (i) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and
- (ii) 80% of the amount by which its total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed at the rates given herein above shall be increased by a surcharge calculated at the rate of 5% of such income-tax.

Example—1.

Facts of the case—Assessment year 1978-79

- Widely-held domestic company
- Income from business

Rs. 1,10,000

Computation of taxable income :

- Income from business

Rs. 1,10,000

Calculation of tax :

- Income-tax as per scheduled rates
- Income-tax on Rs. 1,10,000 @ 55%
- Surcharge on income-tax @ 5%

Rs. 60,500
Rs. 3,025

Total tax Rs. 63,525

- Income-tax as per marginal relief
- Income-tax on first Rs. 1,00,000 @ 45%
- Income-tax on balance of Rs. 10,000 @ 80%

Rs. 45,000
Rs. 8,000

Rs. 53,000
Rs. 2,650

- Surcharge on income-tax @ 5%

Total tax Rs. 55,650

The lower of the above two figures (Rs. 63,525 and Rs. 55,650) is Rs. 55,650 calculated as per marginal relief which is the tax payable for the assessment year 1978-79. The marginal relief for such companies holds good upto Rs. 1,40,000.

Example—2.

Facts of the case—Assessment year 1978-79

—Widely-held domestic company	Rs. 3,00,000
—Income from manufacturing	Rs. 50,000
—Dividend from an Indian company	
—Dividend from an Indian company who is manufacturing articles from a date prior to 1st April, 1976 out of exempt profits u/s 80J	Rs. 50,000
—Income from dividend on shares in a foreign company which have been allotted to the assessee in consideration of secret formula and such agreement has been approved by the Board and dividend income has been brought into India through Reserve Bank of India.	Rs. 50,000
—Income from royalty for providing technical know-how to an Indian concern and the agreement has been approved by the Board.	Rs. 50,000
—Income from royalty from a foreign concern in consideration for the use outside India of patent and the agreement of royalty has been approved by the Board.	Rs. 50,000
Gross income	Rs. 5,50,000

Computation of taxable income :

—Gross income (as detailed above)	Rs. 5,50,000
<i>Less—Deductions allowable</i>	
—In respect of dividend from an Indian company (sec. 80M) 60% of Rs. 50,000	Rs. 30,000
—In respect of dividend from an Indian company out of exempt profit (sec. 80J) the whole of such amount	Rs. 50,000
—In respect of dividend on shares held in foreign company (sec. 80N) the whole of such amount	Rs. 50,000
—In respect of royalty for providing technical know-how to an Indian concern (sec. 80MM) 40% of such amount	Rs. 20,000
—In respect of royalty for providing patent for use outside India (sec. 80O) the whole of such amount	Rs. 50,000
Taxable income	Rs. 3,50,000

Calculation of tax :

—Income-tax on Rs. 3,50,000 @ 55%	Rs. 1,92,500
—Surcharge on income-tax @ 5%	Rs. 9,625
Total tax	Rs. 2,02,125

B. DOMESTIC COMPANY IN WHICH THE PUBLIC ARE NOT SUBSTANTIALLY INTERESTED.

These are the domestic companies in which the public are not substantially interested. These companies may attract the provisions of section 104 relating to the levy of additional income-tax on undistributed profits in specified cases.

Rates of income-tax

(Applicable for assessment year 1978-79 and for advance tax assessment year 1979-80)

(a) In the case of an industrial company

(i) where the total income does not exceed Rs. 2,00,000;

55%

of the total income

(ii) where the total income exceeds Rs. 2,00,000;

60%

of the total income

(b) in any other case;

65%

of the total income

Provided that :

where the total income exceeds Rs. 2,00,000; the income-tax payable shall not exceed—

(1) the income-tax which would have been payable by the company if its income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(2) 80% of the amount by which its total income exceeds Rs. 2,00,000

Surcharge on income-tax

The amount of income-tax computed at the rates given herein above shall be increased by a surcharge calculated at the rate of 5% of such income-tax.

Example—3.

Facts of the case—Assessment year 1978-79

—An industrial company (Private Limited Company has installed a new plant during the financial year 1974-75 for manufacturing new items)

—The capital employed in the undertaking as per Rule 19A for the assessment year 1978-79 is Rs. 20 lakhs.

—Income from old undertaking

Rs. 4,00,000

—Income from new undertaking

Rs. 5,00,000

Gross income Rs. 9,00,000

Computation of taxable income :

—Income from old undertaking

Rs. 4,00,000

—Income from new undertaking

Rs. 5,00,000

Rs. 9,00,000

Less—Deduction u/s 80J in respect of profits from new undertaking limited to 6% of capital employed

Rs. 1,20,000

Taxable income Rs. 7,80,000

Calculation of tax :

—Income-tax on Rs. 7,80,000 @ 60%

Rs. 4,68,000

—Surcharge on income-tax @ 5%

Rs. 23,400

Total tax Rs. 4,91,400

Note:—Under section 80J new industrial undertaking on fulfilling the specified conditions are entitled to a deduction for a period of five years @ 6% of the capital employed in the new undertaking provided it goes into production before 1st April, 1976 otherwise @ 7.5% of the capital employed in the new undertaking. The said exemption is available for the accounting year in which the undertaking goes into production and for the four succeeding years. This concession is also available to new hotels and cold storage plants and plying of ships. If in any year there are no profits or the profits are insufficient to absorb such deduction the deficiency shall be carried forward to subsequent year but in no case the deficiency or any part thereof shall be carried forward beyond the seventh assessment year as reckoned from the end of the initial assessment year.

C. FOREIGN COMPANIES :

These are the foreign companies which have not made the prescribed arrangements for the declaration and payment of dividends within India in accordance with the provisions of section 194 in respect of its income liable to income-tax.

Rates of income-tax

(Applicable for assessment year 1978-79 and advance tax assessment year 1979-80)

(a) on so much of the total income as consists of—

- (i) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 but before the 1st day of April 1976; or
- (ii) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, but before the 1st day of April, 1976 and whereas such agreement has, in either case, been approved by the Central Government. 50%

(b) on the balance, if any, of the total income 70%

Surcharge on income-tax

The amount of income-tax computed at the rates given herein above shall be increased by a surcharge calculated at the rate of 5% of such income-tax.

A new section 115A has been inserted in the Income-tax Act, 1961 by the Finance Act, 1976. Under the said section, in case of foreign companies special rates of income-tax on income from dividends, royalty and fees for technical services have been prescribed, effective from 1st June 1976 which are as under :—

- (a) Income by way of dividend 25% of such income.
- (b) Royalties or fees for technical services received by a foreign company from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March 1976 and approved by the Central Government.
 - (i) on income by way of royalty consisting of lump sum consideration for the transfer outside India of or imparting of information outside India in respect of, any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process or trade mark or similar property. 20% of such income
 - (ii) on other income by way of royalty and on fees for technical services. 40% of such income

Provided that where the royalty referred above is in consideration for the transfer of all or any right (including the granting of a license) in respect of copyright in any books permitted to be imported into India under an Open General Licence in accordance with import Trade Control Policy for the year of 1977-78, there is no need of Central Government approval.

Example—4.

*Facts of the case—*Assessment year 1978-79 (a foreign company)

<i>Income,—</i> Fees from technical services under an agreement of April, 1970 approved by the Central Government		Rs. 1,00,000
—Dividend income from an Indian company		Rs. 52,500
—Other income		Rs. 20,000

Gross income		Rs. 1,72,500

Computation of taxable income :-

—Fees from technical services	Rs. 1,00,000
—Dividend income	Rs. 52,500
—Other income	Rs. 20,000
Taxable Income	Rs. 1,72,500

Calculation of tax :

—Income-tax on fees from technical services of Rs. 1,00,000 @ 50%	Rs. 50,000-00
—Income-tax on dividend income of Rs. 52,500 @ 25%	Rs. 13,125-00
—Income-tax on other income of Rs. 20,000 @ 70%	Rs. 14,000-00
	Rs. 77,125-00
—Surcharge on income-tax @ 5%	Rs. 3,856-25
Total tax	Rs. 80,981-25
Rounded off	Rs. 80,981-00

ADDITIONAL INCOME-TAX ON UNDISTRIBUTED PROFITS

Under section 104 of the Income-tax Act, an additional (penal) income-tax is levied on companies subject to sections 105, 106, 107 and 107A of the Income-tax Act, 1961 where in respect of any previous year the profits and gains distributed as dividends, within the twelve months immediately following the expiry of that previous year, are less than the statutory percentage of the distributable income of the company of that previous year, at the rates given hereunder :—

(a) in the case of an investment company.	...	...	... 50%
(b) in the case of a trading company.	...	...	... 37%
(c) in the case of any other company.	...	...	... 25%

on the distributable income of the company as reduced by the amount of the dividends actually distributed; if any within a period of twelve months.

The provisions of additional income-tax are not attracted in respect of the following classes of companies:—

- (1) a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India i. e., a company other than a domestic company [section 104 (4)];
- (2) to any company in which the public are substantially interested [Section 108(a)];
- (3) to a subsidiary company of such company if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year [Section 108(b)];
- (4) a company notified by the Central Government [Section 104(3)];
- (5) an Indian company whose business consists mainly in the construction of ships or in the manufacture or processing of goods or in mining or in generation or distribution of electricity or any other form of power [Section 104(4)(a)—effective from assessment year 1978-79];

The Central Government u/s 104 (3) of the Income-tax Act, 1961 has exempted the following classes of companies from the operation of the said section 104 :—

- (i) Every Indian company (not being an investment company as defined in clause (ii) of section 109 of that Act) in respect of assessment year 1970-71 and thereafter provided that such Indian company in the course of its business—

- (a) exports any goods or merchandise out of India; or
- (b) performs any constructional operations or renders any service outside India; or
- (c) provides or makes available to any enterprise or institution, association, or other body established outside India, any technical know-how being any patent, invention model, design, secret formula or process, or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill,

and the sale proceeds of the exports referred to in item (a) or, as the case may be, the income accruing to the company from the activities of its business referred to in item (b) or item (c) is received in, or brought into, India by the company or on its behalf in accordance with the Foreign Exchange Regulation Act, 1947 (7 of 1947), and any rules and orders made thereunder ;

Provided further that the sale proceeds derived by the company from the exports, if any, referred to in item (a) and the gross receipts derived by it from the activities of its business referred to in item (b) or item (c) or both, during the previous year, amount, in the aggregate to 50 percent, or more of the aggregate amount of the sale proceeds and all other gross receipts of the business during the previous year credited to the profit and loss account of the company [Notification No. S. O. 3210 dt. 8-8-1969].

(ii) every Indian company engaged wholly or partly in the business of printing and publishing news-papers, magazines and journals or any one or more of them in respect of assessment year commencing on the 1st day of April, 1965 and any subsequent assessment year, provided that—

- (a) such publication or publications is or are printed in the press owned by the company;
- (b) the value of the capital assets of the company being plant and machinery (other than office appliances and road transport vehicles) as shown in its books of accounts on the last day of the relevant previous year exceeds rupees ten lakhs but is less than rupees fifty lakhs; and
- (c) where the company is only partly engaged in such business, its income, attributable to the said business, which is included in its total income for the relevant previous year is not less than fifty-one per cent. of such total income [Notification No. S. O. 2817 dt. 14-8-1964]

The Income-tax Officer shall not exercise his powers under section 104 (1) in the under-mentioned events :

- (1) where the Income tax Officer is satisfied that on account of losses incurred by the company in earlier years or to the smallness of profits made in the previous years, the payment of a dividend or a larger dividend than that declared within a period of 12 months would be unreasonable [S. 104 (2) (i)]; or
- (2) where the payment of dividend or a larger dividend than that declared within the period of 12 months would not have resulted in a benefit to the revenue [S. 104(2)(ii)]; or
- (3) where at least seventy five per cent. of the share capital of the company is throughout the previous year beneficially held by an institution or fund established in India for a charitable purpose the income from dividend whereof is exempt under section 11 (S. 104(2)(iii)]; or

- (4) where the company is an investment company and it has distributed within the period of 12 months referred to in sub-section 1 of section 104 not less than 80% of its distributable income and the short-fall is made good on receipt of notice from the Income-tax Officer within three months [s. 105(1)(i)]; or
- (5) where the company has made short distribution, the shortfall being ten per cent. or below of the distributable income, and such shortfall is made good on receipt of notice from the Income-tax Officer within three months [s. 105(1)(ii)]; or
- (6) where a company according to the return has distributed not less than the statutory percentage of its distributable income within a period of 12 months but in the assessment made by the Income-tax Officer under s. 143 or s. 144 a higher total income is arrived at and the difference in the total income does not arise out of the application of the proviso to sub-section (1) of section 145 or sub-section 2 of section 145 or section 144 or the omission by the company to disclose its income fully and truly, and such shortfall is made good on receipt of notice from the Income-tax Officer within three months [s. 105(1)(iii)]; or
- (7) where a re-assessment is made under the provisions of clause (b) of section 147 and the sum distributed as dividends falls short of statutory percentage of the distributable income determined on the basis of re-assessment, and such shortfall is made good on receipt of notice from the Income-tax Officer within three months [s. 105(1)(iv)].

Appeals : Section 246 (a) gives to the company a right of appeal against the levy of additional income-tax.

Statutory percentage [s. 109]

- | | |
|--|-----|
| (1) in the case of consultancy service company | 45% |
| (2) in the case of an investment company other than an investment company which falls under sub-clause (3) of this clause | 90% |
| (3) in the case of an Indian company, not being an consultancy service company, a part of whose gross total income consists of profits and gains attributable to the business of provision of technical know-how, or of rendering services in connection with the provision of technical know-how to other persons, or of construction of ships, or of manufacture or processing of goods, or of mining, or of generation or distribution of electricity or any other form of power— | |
| (a) in relation to its industrial activities | Nil |
| (b) in relation to its consultancy service activities. | 45% |
| (c) in relation to the remaining part of its gross total income— | |
| (i) if it is an investment company or a company which satisfies the conditions specified in sub-clause (4) | |
| (a) a clause 3 of section 109 (iii) | 90% |
| (ii) in any other case | 60% |

Explanation : The provisions of this Chapter shall apply as if the aforesaid two parts of the gross total income of the company were respectively the gross total income of the company in relation to each such part and as if the amount of dividends actually distributed and the distributable income were also similarly apportioned for the purposes of section 104 and this section.

Note :-With effect from A y.1978-79, the Industrial company are not required to pay any additional income tax for non-distribution of profits. The company which are not Industrial companies but carries on some industrial activities are not required to pay any additional income tax for non-distribution of profits in relation to profits derived from Industrial activities,

(4) In the case of any other company not referred to above—

(a) in the case of a trading company whose accumulated profits and reserves exceed the paid-up capital of the company excluding the capital created out of profits and gains which have not been subject of an order u/s 104 (including loan raised from shareholders) or the value of the fixed assets as shown in the books of the company, whichever is greater

90%

(b) in the case of a non-trading company whose accumulated profits and reserves exceed twice the amount of the paid-up capital of the company excluding the capital created out of profits and gains which have not been subject of an order u/s 104 (including loan raised from share-holders) or the value of the fixed assets as shown in the books of the company, whichever is greater

90%

(c) in any other case.

60%

Reduction of minimum distribution of statutory percentage of distributable income : Under section 107A of the Income-tax Act, 1961, any company (not being an investment company) to whom provisions of section 104 apply, considers that having regard to the current requirements for the development of its business, it would not be possible or advisable for it to declare or pay a dividend of an amount larger than that already declared or paid or proposed to be declared or paid by it, may make an application in the prescribed form alongwith fee of Rs. 100 to the Board within the period of 12 months immediately following the expiry of that previous year or within 30 days of the receipt of notice if a notice u/s 105 (1) has been served, for reduction of the amount of the minimum distribution of statutory percentage of distributable income.

If the Board is satisfied that a distribution equal to the statutory percentage of the distributable income of the company concerned would be unreasonable, it may reduce the amount of minimum distribution required under section 109 of the Income-tax Act, 1961 by such amount, not exceeding twenty per cent. of the statutory percentage of its distributable income, as it may consider fit and further determine the period within which such distribution shall be made.

Where an application is made by a company under this section, the Income-tax Officer shall not make any order under section 104 until the decision is given by the Board on that application: Provided that where a company is required to make a distribution or further distribution of its profits and gains in accordance with the decision of the Board and fails to make such distribution or further distribution within the period determined thereunder, the Income-tax Officer shall make an order under section 104 as if no reduction of the amount of minimum distribution had been made by the Board under this section.

The Board may, by notification in the Official Gazette, direct that, subject to such conditions, if any, as may be specified in the notification, the powers exercisable by it under this section shall also be exercisable by any Commissioner in respect of such companies or classes of companies as may be specified therein and thereupon in respect of such companies and classes of companies the provisions of this section and sections 106 and 107 shall have effect as if references in the said sections to the Board were references to such Commissioner.

SUR-TAX ON COMPANIES

Charge of tax: Under section 4 of the Companies (Profits) Sur-tax Act, 1964, the sur-tax shall be charged on every company (having a share capital—See sec 26) for every assessment year commencing on and from the 1st day of April, 1964, in respect of so much of its chargeable profits of the previous year or previous years, as the case may be, as exceed the statutory deduction, at the rate or rates specified in Third Schedule.

Chargeable profits : According to section 2(5) "chargeable profits" means the total income of an assessee computed under the Income-tax Act, 1961, for any previous year or years, as the case may be, and adjusted in accordance with the provisions of the First Schedule.

Statutory deduction : According to section 2(8), "statutory deduction" means an amount equal to fifteen per cent of the capital of the company as computed in accordance with the provisions of Second Schedule, or an amount of two hundred thousand rupees, whichever is greater:

Provided that where the previous year is longer or shorter than a period of twelve months, the aforesaid amount of fifteen per cent or, as the case may be, two hundred thousand rupees shall be increased or decreased proportionately :

Provided further that where a company has different previous years in respect of its income, profits and gains, the aforesaid increase or decrease, as the case may be, shall be calculated with reference to the length of the previous year of the longest duration.

Filing of return of chargeable profits :

Voluntary return :—Sub-section (1) of section 5 casts upon every company whose chargeable profits exceed the amount of the statutory deduction, the duty to furnish a voluntary return of the chargeable profits in the prescribed form, before 30th September of the relevant assessment year. The return has to be filed by the principal officer of any resident company, and in the case of a non-resident company by the person who has been treated as its agent under s. 163 of the Income-tax Act, 1961.

Special notice to the assessee :—Sub-section (2) of section 5 enables the Income-tax Officer to serve upon the principal officer of the company or agent in case of non-resident company a notice requiring him to furnish within thirty days from the date of service thereof, a return of the chargeable profits of the company during the previous year in the prescribed form and verified in the prescribed manner, etc.

Extension of time-limit :—The proviso to sub-section (1) & (2) of section 5 empower the Income-tax Officer to extend the date for the furnishing of the return.

Revised or belated return :—Sub-section 3 of section 5 provides for the furnishing by the assessee of a return which he has not filed u/s 5(1) or 5(2), or a revised return at any time before the assessment is made.

Provisional assessment :—Under section 7 of the Companies (Profits) Sur-tax Act, 1964, the Income-tax Officer may at any time, after the expiry of the period allowed under s. 5(1) and 5(2) of the Act for the furnishing of the return, make summarily an estimate of his own of the chargeable profits and amount of sur-tax payable thereon and shall propose these amounts to the assessee, allowing him a time of fourteen days from the service of the notice and on expiry of the said fourteen days, or earlier, if the assessee agrees to the proposed provisional assessment, the Income-tax Officer may make the provisional assessment after taking into consideration the objections, if any, raised by the assessee. No appeal lies against a provisional assessment made under this section.

Penalties :

Failure to submit returns :—Under section 9 of the Companies (Profits) Sur-tax Act, 1964 a penalty upto the amount of sur-tax chargeable may be imposed for not furnishing a return under section 5 of the Act. No penalty can be imposed if there is a reasonable cause for not furnishing a return under section 5.

Failure to submit accounts or evidence :—Failure without reasonable cause to produce the accounts, documents or other evidence in response to a notice under section 6(1) is also liable to penalty under section 9. In such case the penalty can be imposed upto the amount of sur-tax which would have been avoided if the return made had been accepted.

*Concealment of the chargeable profits or furnishing inaccurate particulars :—*Under section 9, a third group for levy of penalty is where the assessee has concealed the particulars of the chargeable profits or has furnished inaccurate particulars of such profits. In such case the penalty can be imposed upto the amount of sur-tax which would have been avoided if the return made had been accepted as correct.

*Levy of penalty :—*The proviso to section 9 lays down that the Income-tax Officer shall not impose any penalty without the previous sanction of the Inspecting Assistant Commissioner in this behalf.

Prosecution for offences :

*Failure to deliver returns, etc :—*Under section 20 of the Act, if any person fails without reasonable cause to furnish in due time any return under sub-section (2) of section 5, or to produce, or cause to be produced, any accounts or documents required to be produced under section 6 he shall be punishable with fine which may extend to five hundred rupees, and with a further fine which may extend to ten rupees for every day during which the default continues.

*False statement :—*Under section 21 of the Companies (Profits) Sur-tax Act, 1964, if a person makes in any return furnished under section 5, any statement which is false, and which he either knows or believes to be false or does not believe to be true, he shall be punishable with simple imprisonment which may extend to six months or with fine which may extend to Rs. 1,000 or with both.

*Abetment of false returns, etc :—*Section 22 of the Act provides that where any person makes or induces in any manner another person to make and deliver any account, statement or declaration, which is false and which he either knows to be false or does not believe to be true, he shall be punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees or with both.

*Institution of proceedings :—*Sub-section (1) of section 23 lays down a condition that the proceedings under section 20, 21 or 22 shall not be instituted without the sanction of the Commissioner.

*Composition of offences :—*Sub-section 2 of section 23 empowers the Commissioner to compound any offence punishable under section 20, 21 or 22 either before or after the institution of proceedings.

THE FIRST SCHEDULE

[See sec. 2 (5)]

Rules for computing the chargeable profits

In computing the chargeable profits of a previous year, the total income computed for that year under the Income-tax Act shall be adjusted as follows :—

1. Income, profits and gains and other sums falling within the following clauses shall be excluded from such total income namely :—

- (i) any income chargeable under the Income-tax Act under the head "capital gains";
- (ii) any compensation or other payment as is referred to in clause (ii) of s. 28 of the Income tax Act;
- (iii) profits and gains of any business of life insurance;
- (iv) any income referred to in sub-section (2) of s. 41 of the Income-tax Act;
- (v) [omitted];
- (vi) income chargeable under the Income-tax Act under the head "Interest on securities" derived from any security of the Central Government issued or declared to be income-tax free, or from any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

- (vii) an amount equal to fifty per cent. of the sum with reference to which a deduction is allowable to the company under the provisions of s. 80G of the Income-tax Act;
- (viii) income by way of dividends from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India;
- (ix) income by way of royalties received from Government or a local authority or any Indian concern;
- (x) in the case of a non-resident company which has not made the prescribed arrangements for the declaration and payment of dividends within India, its income by way of any interest or fees for rendering technical services received from Government or a local authority or any Indian concern;
- (xi) in the case of a banking company—
 - (a) any sum which during the previous year is transferred by it to a reserve fund under sub-section (1) of s. 17 of the Banking Companies Act, 1949 (10 of 1949) or is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of s. 11 of that Act, not exceeding the amount required under the aforesaid provisions to be so transferred or deposited, as the case may be, or
 - (b) any sum transferred by it during the previous year to any reserves in India including reserves not shown as such in its published balance-sheet in so far as the sums transferred to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act and in so far as the aggregate of such sums does not exceed the highest of the aggregate of such sums, if any, so transferred during any one of the three years prior to the previous year,
 whichever is higher;
- (xii) the amount of any deduction from the income-tax chargeable on the total income allowed under the annual Finance Act in connection with export of any goods or merchandise out of India or the sale by a manufacturer of any article to any person who exports them out of India.

2. The balance of the total income arrived at after making the exclusions mentioned in rule 1 shall be reduced by—

- (i) the amount of income-tax, if any, payable by the company in respect of its total income under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax to which the company may be entitled under the provisions of the said Act or the annual Finance Act, and after excluding from such amount—
 - (a) the amount of income-tax, if any, payable by the company in respect of any income referred to in clause (i) or clause (ii) or clause (iii) or clause (viii) of rule 1 included in the total income;
 - (b) the amount of income-tax, if any, payable by the company under the provisions of the annual Finance Act with reference to the relevant amount of distributions of dividends by it;

Explanation—In this sub-clause, the expression "the relevant amount of distributions of dividends" has the meaning assigned to it in the Finance Act of the relevant year;
- (c) the amount of income-tax, if any, payable by the company under s. 104 of the Income-tax Act;

Explanation—In relation to the assessment year commencing on the 1st day of April, 1964, the reference in this sub-clause to "income-tax", shall be construed as a reference to "super-tax",

- (ii) in the case of company which has been charged to tax in a country outside India on any portion of its income, profits and gains included in its total income as computed under the income-tax Act, the tax actually paid in respect of such income, profits and gains in the said country in accordance with the laws in force in that country after allowance of every relief due under the said laws :

Provided that the aforesaid reduction shall not be allowed unless the assessee produces evidence of the fact of the payment of of the aforesaid tax in that country.

3. The net amount of income calculated in accordance with rule 2 shall be increased by the amount of any expenditure incurred on account of commission, entertainment and advertisement, to the extent such expenditure, in the opinion of the Income-tax Officer is excessive having regard to the circumstances of the case :

Provided that the previous authority of the Inspecting Assistant Commissioner is obtained for holding such expenditure to be excessive.

THE SECOND SCHEDULE

[See Section 2(8)]

Rules for computing the capital of a company for the purposes of sur-tax

1. Subject to the other provisions contained in this Schedule, the capital of a company shall be the aggregate of the amounts as on the 1st day of the previous year relevant to the assessment year, of—

- (i) its paid-up share capital;
- (ii) its reserves, if any, created under the proviso (b) to clause (vi-b) of sub-section (2) of s. 10 of the Indian Income-tax Act, 1922 (11 of 1922), or under sub-section (4) of sec. 32A or sub-section (3) of s. 34 of the Income-tax Act, 1961 (43 of 1961);
- (iii) its other reserves as reduced by the amounts credited to such reserves as have been allowed as a deduction in computing the income of the company for purposes of Indian Income-tax Act, 1922 (11 of 1922), or the Income-tax Act, 1961 (43 of 1961);

Explanation—For the removal of doubts it is hereby declared that any amount standing to the credit of any account in the books of a company as on the 1st day of the previous year relevant to the assessment year which is of the nature of item (5) i.e. surplus or item (6) proposed addition to reserve or item (7) i. e. sinking funds under the heading "Reserves and surplus" or of any item under the heading "current liabilities and provisions" in the column relating to "Liabilities" in the "Form of balance-sheet" given in Part 1 of Schedule VI to the Companies Act, 1956 (1 of 1956), shall not be regarded as a **reserve for the purposes of computation of the capital of a company under the provisions of this Schedule.**

1A. Where a company has not made any credit in any account in its books as on the first day of the previous year relevant to the assessment year which is of the nature of item (8) i. e. Provision for taxation or item (9) i.e. Proposed dividends under the heading "CURRENT LIABILITIES AND PROVISIONS" in the column relating to "LIABILITIES" in the "FORM OF BALANCE-SHEET", given in Part 1 of Schedule VI to the Companies Act, 1956, or where the Income-tax Officer is of opinion that the amount credited in such account falls short of the amount which should have reasonably been credited by it, the amount of its capital as computed under rule 1 shall be reduced by the amount which has not been so credited or, as the case may be, the amount of such shortfall.

Explanation :—For the purposes of this rule, the amount of credit which should have reasonably been made by a company in relation to any account of the nature of item (9) Proposed dividend, means the amount of dividend declared or paid by the company, on or after the first day of the previous year relevant to the assessment year for the previous year immediately preceding the first mentioned previous year,

2. Where a company owns any assets the income from which in accordance with clause (iii) or clause (vi) of rule 1 of the First Schedule is required to be excluded from its total income in computing its chargeable profits, the amount of its capital as computed under rule 1 of this Schedule shall be diminished by the cost to it of the said assets as on the 1st day of the previous year relevant to the assessment year in so far as such cost exceeds the aggregate of—

- (i) any moneys borrowed and remaining outstanding as on the first day of the said previous year; and
- (ii) the amount of any fund, any surplus or any such reserve as is not to be taken into account in computing the capital under rule 1.

Explanation 1. A paid-up share capital or reserve brought into existence by creating or increasing (by revaluation or otherwise) any book asset is not capital for computing the capital of a company for the purposes of this Act.

Explanation 2. Any premium received in cash by the company on the issue of its shares standing to the credit of the share premium account shall be regarded as forming part of its paid-up share capital.

Explanation 3. Where a company has different previous years in respect of its income, profits and gains, the computation of capital under rule 1, 2 and 3 shall be made with reference to the previous year which commenced first.

3. Where after the first day of the previous year relevant to the assessment year, the capital of a company as computed in accordance with the foregoing rules of this Schedule is increased by any amount during that previous year on account of increase of paid-up share capital or [is reduced by any amount on account of reduction of paid-up share capital], such capital shall be increased or reduced as the case may be, by a sum which bears to that amount the same proportion as the number of days of the previous year during which the increase or the reduction remained effective bears to the total number of days in that previous year.

4. Where a part of the income, profits and gains of a company is not includible in its total income as computed under the income-tax Act, its capital shall be the sum ascertained in accordance with rules 1, 2 and 3, diminished by an amount which bears to that sum the same proportion as the amount of the aforesaid income, profits and gains bears to the total amount of its income, profits and gains.

Computation of sur-tax payable by a company :

The following steps need to be taken to arrive at the sur-tax liabilities under the Companies (Profits) Sur-tax Act, 1964:—

- A. Calculate the income-tax liability (this figure is required for the purpose of computation of the chargeable profits referred to in 'B' below);
- B. Compute the chargeable profits as per rules of the First Schedule;
- C. Compute the capital employed as per rules of the Second Schedule;
- D. Compute the amount of statutory deduction;
- E. Compute the chargeable amount, i. e., deduct an amount of Rs. 2,00,000 or a sum equal to 15% on the amount computed in 'C', whichever is higher, from 'B'.
- F. Calculate the sur-tax on 'E' at the rates given in the Third Schedule.

Example—5.

Facts of the case —Assessment year 1978-79

- Section 108 company
- Paid-up capital of Rs. 40 lacs as at the beginning of the year
- Reserve fund of Rs. 5 lacs as at the beginning of the year
- Investment in tax-free securities of Rs. 6 lacs
- Investment in share of Rs. 2.5 lacs

Income of Company—		
From business	Rs.	13,50,000
Short-term capital gains	Rs.	1,00,000
Interest on tax-free securities	Rs.	36,000
Dividends from Indian Companies	Rs.	15,000
Total	Rs.	15,01,000

A. Calculation of income-tax

—Gross income as given above	Rs.	15,01,000	
Less—Deduction u/s 80 M in respect of inter-corporate dividend income @ 60%	Rs.	9,000	
Taxable income	Rs.	<u>14,92,000</u>	
—Income-tax on taxable income @ 55% (Inclusive of short-term capital gains)			Rs. 8,20,600
—Surcharge @ 5%			Rs. 41,030
			<u>Rs. 8,61,630</u>
Less—Rebate @ 27½% of interest on tax-free securities of Rs. 30,000 u/s 86A			Rs. 9,900
			<u>Rs. 8,51,730</u>

B. Computation of chargeable profits

—Gross income			Rs. 15,01,000
Less—Exclusion as per Rule 1 of First Schedule			
—Capital gains (short-term)	Rs.	1,00,000	
—Interest on tax-free securities	Rs.	36,000	
—Dividend from Indian company	Rs.	15,000	Rs. 1,51,000
			<u>Rs. 13,50,000</u>
Less—Deduction as per Rule 2 of the First Schedule			
Income tax and surcharge payable	Rs.	8,51,730	
Deduct—Income tax on			
—Interest on securities	Rs.	10,890	
—Dividend	Rs.	3,465	
—Capital gains	Rs.	57,750	Rs. 72,105
			<u>Rs. 7,79,625</u>
		Total	<u>Rs. 5,70,375</u>
		Rounded off	<u>Rs. 5,70,380</u>

C. Computation of capital for sur-tax purposes (as per Second Schedule)

—Paid-up capital			Rs. 40,00,000
—Reserve fund			Rs. 5,00,000
			<u>Total Rs. 45,00,000</u>
Less—Investment in tax-free securities	Rs.	6,00,000	
—Investment in shares	Rs.	2,50,000	Rs. 85,00,000
			<u>36,50,000</u>

D. Computation of statutory deduction.

15% or capital employed or Rs. 2,00,000, whichever is higher

E. Profit liable to sur-tax, i. e. chargeable amount

—chargeable profits.			Rs. 5,70,380
Less—Statutory deduction			Rs. 5,47,500
			<u>Rs. 22880</u>
Sur-tax on chargeable amount of Rs. 22880 @ 25%			Rs. 5,720

RATES OF SUR-TAX
(Assessment year 1978-79)

On the amount (hereinafter referred to as the chargeable amount) by which the chargeable profits exceed the amount of the statutory deduction at the following rate, namely—

- On so much of the chargeable amount as does not exceed five per cent. of the amount of capital as computed in accordance with the second Schedule 25%
- On the balance, if any, of the chargeable amount. 40%

Provided that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India—

- Which is such a company as is referred to in section 108 of the Income-tax Act, and
- whose paid-up share capital (subscribed and paid in cash) as on the last day of the previous year, is not less than twenty-five per cent. of the amount of the capital as computed under the second Schedule to this Act, the aggregate of—
 - the amount of income-tax payable by the company in respect of its total income of the previous year under the provisions of the Income-tax Act, after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under the provisions of the said Act or the annual Finance Act, and
 - the amount of sur-tax computed in accordance with the foregoing provision of this Schedule,

exceed the amount calculated at seventy per cent. of the total income of the company, the amount of such excess shall be deducted from the amount of sur-tax referred to in clause (b) above and the balance shall be the amount of the sur-tax payable by the company

INCOME-TAX AND SURCHARGE FOR COMPANIES

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(For assessment year 1978-79 and advance tax assessment year 1979-80)

WHERE TAXABLE INCOME IS BETWEEN Rs. 10 & Rs. 1,00,000

Taxable income	DOMESTIC COMPANY						FOREIGN COMPANY			
	In which the public are substantially interested		In which the public are not substantially interested				* Royalties and fees		On the balance, if any, of the total income	
			Industrial company		Other than industrial company					
	Income-tax @ 45%	Surcharge on income-tax @ 5%	Income-tax @ 55%	Surcharge on income-tax @ 5%	Income-tax @ 65%	Surcharge on income-tax @ 5%	Income-tax @ 50%	Surcharge on income-tax @ 5%	Income-tax @ 70%	Surcharge on income-tax @ 5%
10	4.50	0.23	5.50	0.28	6.50	0.33	5.00	0.25	7.00	0.35
20	9.00	0.45	11.00	0.55	13.00	0.65	10.00	0.50	14.00	0.70
30	13.50	0.68	16.50	0.83	19.50	0.98	15.00	0.75	21.00	1.05
40	18.00	0.90	22.00	1.10	26.00	1.30	20.00	1.00	28.00	1.40
50	22.50	1.13	27.50	1.38	32.50	1.63	25.00	1.25	35.00	1.75
60	27.00	1.35	33.00	1.65	39.00	1.95	30.00	1.50	42.00	2.10
70	31.50	1.58	38.50	1.93	45.50	2.28	35.00	1.75	49.00	2.45
80	36.00	1.80	44.00	2.20	52.00	2.60	40.00	2.00	56.00	2.80
90	40.50	2.03	49.50	2.48	58.50	2.93	45.00	2.25	63.00	3.15
100	45.00	2.25	55.00	2.75	65.00	3.25	50.00	2.50	70.00	3.50
200	90.00	4.50	110.00	5.50	130.00	6.50	100.00	5.00	140.00	7.00
300	135.00	6.75	165.00	8.25	195.00	9.75	150.00	7.50	210.00	10.50
400	180.00	9.00	220.00	11.00	260.00	13.00	200.00	10.00	280.00	14.00
500	225.00	11.25	275.00	13.75	325.00	16.25	250.00	12.50	350.00	17.50
600	270.00	13.50	330.00	16.50	390.00	19.50	300.00	15.00	420.00	21.00
700	315.00	15.75	385.00	19.25	455.00	22.75	350.00	17.50	490.00	24.50
800	360.00	18.00	440.00	22.00	520.00	26.00	400.00	20.00	560.00	28.00
900	405.00	20.25	495.00	24.75	585.00	29.25	450.00	22.50	630.00	31.50
1000	450.00	22.50	550.00	27.50	650.00	32.50	500.00	25.00	700.00	35.00
2000	900.00	45.00	1100.00	55.00	1300.00	65.00	1000.00	50.00	1400.00	70.00
3000	1350.00	67.50	1650.00	82.50	1950.00	97.50	1500.00	75.00	2100.00	105.00
4000	1800.00	90.00	2200.00	110.00	2600.00	130.00	2000.00	100.00	2800.00	140.00
10000	4500	225.00	5500	275.00	6500	325.00	5000	250.00	7000	350.00
15000	6750	337.50	8250	412.50	9750	487.50	7500	375.00	10500	525.00
20000	9000	450.00	11000	550.00	13000	650.00	10000	500.00	14000	700.00
25000	11250	562.50	13750	687.50	16250	812.50	12500	625.00	17500	875.00
30000	13500	675.00	16500	825.00	19500	975.00	15000	750.00	21000	1050.00
35000	15750	787.50	19250	962.50	22750	1137.50	17500	875.00	24500	1225.00
40000	18000	900.00	22000	1100.00	26000	1300.00	20000	1000.00	28000	1400.00
45000	20250	1012.50	24750	1237.50	29250	1462.50	22500	1125.00	31500	1575.00
50000	22500	1125.00	27500	1375.00	32500	1625.00	25000	1250.00	35000	1750.00
55000	24750	1237.50	30250	1512.50	35750	1787.50	27500	1375.00	38500	1925.00
60000	27000	1350.00	33000	1650.00	39000	1950.00	30000	1500.00	42000	2100.00
65000	29250	1462.50	35750	1787.50	42250	2112.50	32500	1625.00	45500	2275.00
70000	31500	1575.00	38500	1925.00	45500	2275.00	35000	1750.00	49000	2450.00
75000	33750	1687.50	41250	2062.50	48750	2437.50	37500	1875.00	52500	2625.00
80000	36000	1800.00	44000	2200.00	52000	2600.00	40000	2000.00	56000	2800.00
85000	38250	1912.50	46750	2337.50	55250	2762.50	42500	2125.00	59500	2975.00
90000	40500	2025.00	49500	2475.00	58500	2925.00	45000	2250.00	63000	3150.00
95000	42750	2137.50	52250	2612.50	61750	3087.50	47500	2375.00	66500	3325.00
100000	45000	2250.00	55000	2750.00	65000	3250.00	50000	2500.00	70000	3500.00

Note— *Royalties and fees received for technical services in pursuance of an agreement made after the 31st day of March, 1961 and the 29th day of February, 1964 respectively but before 1st April 1976 as approved by the Central Government.

INCOME-TAX AND SURCHARGE FOR COMPANIES

(For assessment year 1978-79 and advance tax assessment year 1979-80)
WHERE TAXABLE INCOME IS BETWEEN Rs. 1,00,000 & Rs. 1,40,000

Taxable income	DOMESTIC COMPANY						FOREIGN COMPANY			
	In which the public are substantially interested		In which the public are not substantially interested				* Royalties and fees		On the balance, if any, of the total income	
			Industrial company		Other than industrial company					
	Income-tax @ 80% on account of marginal relief	Surcharge on income-tax @ 5%	Income-tax @ 55%	Surcharge on income-tax @ 5%	Income-tax @ 65%	Surcharge on income-tax @ 5%	Income-tax @ 50%	Surcharge on income-tax @ 5%	Income-tax @ 70%	Surcharge on income-tax @ 5%
10	8.00	0.40	5.50	0.28	6.50	0.33	5.00	0.25	7.00	0.35
20	16.00	0.80	11.00	0.55	13.00	0.65	10.00	0.50	14.00	0.70
30	24.00	1.20	16.50	0.83	19.50	0.98	15.00	0.75	21.00	1.05
40	32.00	1.60	22.00	1.10	26.00	1.30	20.00	1.00	28.00	1.40
50	40.00	2.00	27.50	1.38	32.50	1.63	25.00	1.25	35.00	1.75
60	48.00	2.40	33.00	1.65	39.00	1.95	30.00	1.50	42.00	2.10
70	56.00	2.80	38.50	1.93	45.50	2.28	35.00	1.75	49.00	2.45
80	64.00	3.20	44.00	2.20	52.00	2.60	40.00	2.00	56.00	2.80
90	72.00	3.60	49.50	2.48	58.50	2.93	45.00	2.25	63.00	3.15
100	80.00	4.00	55.00	2.75	65.00	3.25	50.00	2.50	70.00	3.50
200	160.00	8.00	110.00	5.50	130.00	6.50	100.00	5.00	140.00	7.00
300	240.00	12.00	165.00	8.25	195.00	9.75	150.00	7.50	210.00	10.50
400	320.00	16.00	220.00	11.00	260.00	13.00	200.00	10.00	280.00	14.00
500	400.00	20.00	275.00	13.75	325.00	16.25	250.00	12.50	350.00	17.50
600	480.00	24.00	330.00	16.50	390.00	19.50	300.00	15.00	420.00	21.00
700	560.00	28.00	385.00	19.25	455.00	22.75	350.00	17.50	490.00	24.50
800	640.00	32.00	440.00	22.00	520.00	26.00	400.00	20.00	560.00	28.00
900	720.00	36.00	495.00	24.75	585.00	29.25	450.00	22.50	630.00	31.50
1000	800.00	40.00	550.00	27.50	650.00	32.50	500.00	25.00	700.00	35.00
1250	1000.00	50.00	687.50	34.38	812.50	40.63	625.00	31.25	875.00	43.75
1500	1200.00	60.00	825.00	41.25	975.00	48.75	750.00	37.50	1050.00	52.50
1750	1400.00	70.00	962.50	48.13	1137.50	56.88	875.00	43.75	1225.00	61.25
2000	1600.00	80.00	1100.00	55.00	1300.00	65.00	1000.00	50.00	1400.00	70.00
2250	1800.00	90.00	1237.50	61.88	1462.50	73.13	1125.00	56.25	1575.00	78.75
10000	45000	2250.00	55000	2750.00	65000	3250.00	50000	2500.00	70000	3500.00
102500	47000	2350.00	56375	2818.75	66625	3331.25	51250	2562.50	71750	3587.50
105000	49000	2450.00	57750	2887.50	68250	3412.50	52500	2625.00	73500	3675.00
107500	51000	2550.00	59125	2956.25	69875	3493.75	53750	2687.50	75250	3762.50
110000	53000	2650.00	60500	3025.00	71500	3575.00	55000	2750.00	77000	3850.00
112500	55000	2750.00	61875	3093.75	73125	3656.25	56250	2812.50	78750	3937.50
115000	57000	2850.00	63250	3162.50	74750	3737.50	57500	2875.00	80500	4025.00
117500	59000	2950.00	64625	3231.25	76375	3818.75	58750	2937.50	82250	4112.50
120000	61000	3050.00	66000	3300.00	78000	3900.00	60000	3000.00	84000	4200.00
122500	63000	3150.00	67375	3368.75	79625	3981.25	61250	3062.50	85750	4287.50
125000	65000	3250.00	68750	3437.50	81250	4062.50	62500	3125.00	87500	4375.00
127500	67000	3350.00	70125	3506.25	82875	4143.75	63750	3187.50	89250	4462.50
130000	69000	3450.00	71500	3575.00	84500	4225.00	65000	3250.00	91000	4550.00
132500	71000	3550.00	72875	3643.75	86125	4306.25	66250	3312.50	92750	4637.50
135000	73000	3650.00	74250	3712.50	87750	4387.50	67500	3375.00	94500	4725.00
137500	75000	3750.00	75625	3781.25	89375	4468.75	68750	3437.50	96250	4812.50
140000	77000	3850.00	77000	3850.00	91000	4550.00	70000	3500.00	98000	4900.00

Note— *Royalties and fees received for technical services

Note— *Royalties and fees received for technical services in pursuance of an agreement made after the 31st day of March, 1961 and the 29th day of February, 1964 respectively but before 1st April 1976 as approved by the Central Government.

INCOME TAX AND SUR-CHARGE FOR COMPANIES

(For assessment year 1978-79 and advance tax assessment year 1979-80)

WHERE INCOME IS BETWEEN Rs. 1,40,000 & Rs. 2,00,000.

Taxable Income	DOMESTIC COMPANY						FOREIGN COMPANY			
	Where the public are substantially interested		Where the public are not substantially interested				Royalties and fees*		On the Balance, if any of the total income	
			Industrial Company		OTHER THAN Industrial Company					
	I. T. @ 55%	S.C. @5% on I.T.	I. T. @ 55%	S. C. @5% on I.T.	I. T. @ 65%	S.C. @5% on I.T.	I. T. @ 50%	S.C. @5% on I.T.	I. T. @ 70%	S.C. @5% on I.T.
10	5.50	0.28	5.50	0.28	6.50	0.33	5	0.25	7	0.35
20	11.00	0.55	11.00	0.55	13.00	0.65	10	0.50	14	0.70
30	16.50	0.83	16.50	0.83	19.50	0.98	15	0.75	21	1.05
40	22.00	1.10	22.00	1.10	26.00	1.30	20	1.00	28	1.40
50	27.50	1.38	27.50	1.38	32.50	1.63	25	1.25	35	1.75
60	33.00	1.65	33.00	1.65	39.00	1.95	30	1.50	42	2.10
70	38.50	1.93	38.50	1.93	45.50	2.28	35	1.75	49	2.45
80	44.00	2.20	44.00	2.20	52.00	2.60	40	2.00	56	2.80
90	49.50	2.48	49.50	2.48	58.50	2.93	45	2.25	63	3.15
100	55.00	2.75	55.00	2.75	65.00	3.25	50	2.50	70	3.50
200	110.00	5.50	110.00	5.50	130.00	6.50	100	5.00	140	7.00
300	165.00	8.25	165.00	8.25	195.00	9.75	150	7.50	210	10.50
400	220.00	11.00	220.00	11.00	260.00	13.00	200	10.00	280	14.00
500	275.00	13.75	275.00	13.75	325.00	16.25	250	12.50	350	17.50
600	330.00	16.50	330.00	16.50	390.00	19.50	300	15.00	420	21.00
700	385.00	19.25	385.00	19.25	455.00	22.75	350	17.50	490	24.50
800	440.00	22.00	440.00	22.00	520.00	26.00	400	20.00	560	28.00
900	495.00	24.75	495.00	24.75	585.00	29.25	450	22.50	630	31.50
1000	550.00	27.50	550.00	27.50	650.00	32.50	500	25.00	700	35.00
2000	1100.00	55.00	1100.00	55.00	1300.00	65.00	1000	50.00	1400	70.00
3000	1650.00	82.50	1650.00	82.50	1950.00	97.50	1500	75.00	2100	105.00
4000	2200.00	110.00	2200.00	110.00	2600.00	130.00	2000	100.00	2800	140.00
140000	77000.00	3850.00	77000.00	3850.00	91000.00	4550.00	70000	3500.00	98000	4900.00
145000	79750.00	3987.50	79750.00	3987.50	94250.00	4712.50	72500	3625.00	101500	5075.00
150000	82500.00	4125.00	82500.00	4125.00	97500.00	4875.00	75000	3750.00	105000	5250.00
155000	85250.00	4262.50	85250.00	4262.50	100750.00	5037.50	77500	3875.00	108500	5425.00
160000	88000.00	4400.00	88000.00	4400.00	104000.00	5200.00	80000	4000.00	112000	5600.00
165000	90750.00	4537.50	90750.00	4537.50	107250.00	5362.50	82500	4125.00	115500	5775.00
170000	93500.00	4675.00	93500.00	4675.00	110500.00	5525.00	85000	4250.00	119000	5950.00
175000	96250.00	4812.50	96250.00	4812.50	113750.00	5687.50	87500	4375.00	122500	6125.00
180000	99000.00	4950.00	99000.00	4950.00	117000.00	5850.00	90000	4500.00	126000	6300.00
185000	101750.00	5087.50	101750.00	5087.50	120250.00	6012.50	92500	4625.00	129500	6475.00
190000	104500.00	5225.00	104500.00	5225.00	123500.00	6175.00	95000	4750.00	133000	6650.00
195000	107250.00	5362.50	107250.00	5362.50	126750.00	6337.50	97500	4875.00	136500	6825.00
200000	110000.00	5500.00	110000.00	5500.00	130000.00	6500.00	100000	5000.00	140000	7000.00

Note— *Royalties and fees received for technical services in pursuance of an agreement made after the 31st day of March, 1961 and the 29th day of February, 1964 respectively but before 1st April 1976 as approved by the Central Government.

INCOME-TAX AND SURCHARGE FOR COMPANIES

(For assessment year 1978-79 and advance tax assessment year 1979-80)
WHERE TAXABLE INCOME IS BETWEEN Rs.2,00,000 & Rs. 2,50,000

WHERE TAXABLE INCOME IS BETWEEN RS.2,00,000 & RS.2,50,000										
Taxable income	DOMESTIC COMPANY						FOREIGN COMPANY			
	In which the public are substantially interested		In which the public are not substantially interested				* Royalties and fees		On the balance, if any, of the total income	
			Industrial company		Other than industrial company					
	Income-tax @ 55%	Surcharge on income-tax @ 5%	Income-tax @ 80% on account of marginal relief	Surcharge on income-tax @ 5%	Income-tax @ 65%	Surcharge on income-tax @ 5%	Income-tax @ 50%	Surcharge on income-tax @ 5%	Income-tax @ 70%	Surcharge on income-tax @ 5%
10	5.50	0.28	8.00	0.40	6.50	0.33	5.00	0.25	7.00	0.35
20	11.00	0.55	16.00	0.80	13.00	0.65	10.00	0.50	14.00	0.70
30	16.50	0.83	24.00	1.20	19.50	0.98	15.00	0.75	21.00	1.05
40	22.00	1.10	32.00	1.60	26.00	1.30	20.00	1.00	28.00	1.40
50	27.50	1.38	40.00	2.00	32.50	1.63	25.00	1.25	35.00	1.75
60	33.00	1.65	48.00	2.40	39.00	1.95	30.00	1.50	42.00	2.10
70	38.50	1.93	56.00	2.80	45.50	2.28	35.00	1.75	49.00	2.45
80	44.00	2.20	64.00	3.20	52.00	2.60	40.00	2.00	56.00	2.80
90	49.50	2.48	72.00	3.60	58.50	2.93	45.00	2.25	63.00	3.15
100	55.00	2.75	80.00	4.00	65.00	3.25	50.00	2.50	70.00	3.50
200	110.00	5.50	160.00	8.00	130.00	6.50	100.00	5.00	140.00	7.00
300	165.00	8.25	240.00	12.00	195.00	9.75	150.00	7.50	210.00	10.50
400	220.00	11.00	320.00	16.00	260.00	13.00	200.00	10.00	280.00	14.00
500	275.00	13.75	400.00	20.00	325.00	16.25	250.00	12.50	350.00	17.50
600	330.00	16.50	480.00	24.00	390.00	19.50	300.00	15.00	420.00	21.00
700	385.00	19.25	560.00	28.00	455.00	22.75	350.00	17.50	490.00	24.50
800	440.00	22.00	640.00	32.00	520.00	26.00	400.00	20.00	560.00	28.00
900	495.00	24.75	720.00	36.00	585.00	29.25	450.00	22.50	630.00	31.50
1000	550.00	27.50	800.00	40.00	650.00	32.50	500.00	25.00	700.00	35.00
1500	825.00	41.25	1200.00	60.00	975.00	48.75	750.00	37.50	1050.00	52.50
2000	1100.00	55.00	1600.00	80.00	1300.00	65.00	1000.00	50.00	1400.00	70.00
2500	1375.00	68.75	2000.00	100.00	1625.00	81.25	1250.00	62.50	1750.00	87.50
3000	1650.00	82.50	2400.00	120.00	1950.00	97.50	1500.00	75.00	2100.00	105.00
3500	1925.00	96.25	2800.00	140.00	2275.00	113.75	1750.00	87.50	2450.00	122.50
4000	2200.00	110.00	3200.00	160.00	2600.00	130.00	2000.00	100.00	2800.00	140.00
4500	2475.00	123.75	3600.00	180.00	2925.00	146.25	2250.00	112.50	3150.00	157.50
200000	110000	5500.00	110000	5500.00	130000	6500.00	100000	5000.00	140000	7000.00
205000	112750	5637.50	114000	5700.00	133250	6662.50	102500	5125.00	143500	7175.00
210000	115500	5775.00	118000	5900.00	136500	6825.00	105000	5250.00	147000	7350.00
215000	118250	5912.50	122000	6100.00	139750	6987.50	107500	5375.00	150500	7525.00
220000	121000	6050.00	126000	6300.00	143000	7150.00	110000	5500.00	154000	7700.00
225000	123750	6187.50	130000	6500.00	146250	7312.50	112500	5625.00	157500	7875.00
230000	126500	6325.00	134000	6700.00	149500	7475.00	115000	5750.00	161000	8050.00
235000	129250	6462.50	138000	6900.00	152750	7637.50	117500	5875.00	164500	8225.00
240000	132000	6600.00	142000	7100.00	156000	7800.00	120000	6000.00	168000	8400.00
245000	134750	6737.50	146000	7300.00	159250	7962.50	122500	6125.00	171500	8575.00
250000	137500	6875.00	150000	7500.00	162500	8125.00	125000	6250.00	175000	8750.00

Note— *Royalties and fees received for technical services in pursuance of an agreement made after the 31st day of March, 1961 and the 29th day of February, 1964 respectively but before 1st April 1976 as approved by the Central Government.

INCOME-TAX AND SURCHARGE FOR COMPANIES

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(For assessment year 1978-79 and advance tax assessment year 1979-80)

WHERE TAXABLE INCOME IS BETWEEN Rs. 2,50,000 & Rs. 20,00,000

Taxable income	DOMESTIC COMPANY						FOREIGN COMPANY			
	In which the public are substantially interested		In which the public are not substantially interested				* Royalties and fees		On the balance, if any, of the total income	
			Industrial company		Other than industrial company					
	Income-tax @ 55%	Surcharge on income-tax @ 5%	Income-tax @ 60%	Surcharge on income-tax @ 5%	Income-tax @ 65%	Surcharge on income-tax @ 5%	Income-tax @ 50%	Surcharge on income-tax @ 5%	Income-tax @ 70%	Surcharge on income-tax @ 5%
100	55	2.75	60	3.00	65	3.25	50	2.50	70	3.50
200	110	5.50	120	6.00	130	6.50	100	5.00	140	7.00
300	165	8.25	180	9.00	195	9.75	150	7.50	210	10.50
400	220	11.00	240	12.00	260	13.00	200	10.00	280	14.00
500	275	13.75	300	15.00	325	16.25	250	12.50	350	17.50
600	330	16.50	360	18.00	390	19.50	300	15.00	420	21.00
700	385	19.25	420	21.00	455	22.75	350	17.50	490	24.50
800	440	22.00	480	24.00	520	26.00	400	20.00	560	28.00
900	495	24.75	540	27.00	585	29.25	450	22.50	630	31.50
1000	550	27.50	600	30.00	650	32.50	500	25.00	700	35.00
2000	1100	55.00	1200	60.00	1300	65.00	1000	50.00	1400	70.00
3000	1650	82.50	1800	90.00	1950	97.50	1500	75.00	2100	105.00
4000	2200	110.00	2400	120.00	2600	130.00	2000	100.00	2800	140.00
5000	2750	137.50	3000	150.00	3250	162.50	2500	125.00	3500	175.00
6000	3300	165.00	3600	180.00	3900	195.00	3000	150.00	4200	210.00
7000	3850	192.50	4200	210.00	4550	227.50	3500	175.00	4900	245.00
8000	4400	220.00	4800	240.00	5200	260.00	4000	200.00	5600	280.00
9000	4950	247.50	5400	270.00	5850	292.50	4500	225.00	6300	315.00
10000	5500	275.00	6000	300.00	6500	325.00	5000	250.00	7000	350.00
20000	11000	550.00	12000	600.00	13000	650.00	10000	500.00	14000	700.00
30000	16500	825.00	18000	900.00	19500	975.00	15000	750.00	21000	1050.00
40000	22000	1100.00	24000	1200.00	26000	1300.00	20000	1000.00	28000	1400.00
50000	27500	1375.00	30000	1500.00	32500	1625.00	25000	1250.00	35000	1750.00
60000	33000	1650.00	36000	1800.00	39000	1950.00	30000	1500.00	42000	2100.00
70000	38500	1925.00	42000	2100.00	45500	2275.00	35000	1750.00	49000	2450.00
80000	44000	2200.00	48000	2400.00	52000	2600.00	40000	2000.00	56000	2800.00
90000	49500	2475.00	54000	2700.00	58500	2925.00	45000	2250.00	63000	3150.00
250000	137500	6875	150000	7500	162500	8125	125000	6250	175000	8750
300000	165000	8250	180000	9000	195000	9750	150000	7500	210000	10500
400000	220000	11000	240000	12000	260000	13000	200000	10000	280000	14000
500000	275000	13750	300000	15000	325000	16250	250000	12500	350000	17500
600000	330000	16500	360000	18000	390000	19500	300000	15000	420000	21000
700000	385000	19250	420000	21000	455000	22750	350000	17500	490000	24500
800000	440000	22000	480000	24000	520000	26000	400000	20000	560000	28000
900000	495000	24750	540000	27000	585000	29250	450000	22500	630000	31500
1000000	550000	27500	600000	30000	650000	32500	500000	25000	700000	35000
1100000	605000	30250	660000	33000	715000	35750	550000	27500	770000	38500
1200000	660000	33000	720000	36000	780000	39000	600000	30000	840000	42000
1300000	715000	35750	780000	39000	845000	42250	650000	32500	910000	45500
1400000	770000	38500	840000	42000	910000	45500	700000	35000	980000	49000
1500000	825000	41250	900000	45000	975000	48750	750000	37500	1050000	52500
1600000	880000	44000	960000	48000	1040000	52000	800000	40000	1120000	56000
1700000	935000	46750	1020000	51000	1105000	55250	850000	42500	1190000	59500
1800000	990000	49500	1080000	54000	1170000	58500	900000	45000	1260000	63000
1900000	1045000	52250	1140000	57000	1235000	61750	950000	47500	1330000	66500
2000000	1100000	55000	1200000	60000	1300000	65000	1000000	50000	1400000	70000

Note— *Royalties and fees received for technical services in pursuance of an agreement made after the 31st day of March, 1961 and the 29th day of February, 1964 respectively but before 1st April 1976 as approved by the Central Government.

SUR TAX TABLE**WHERE CHARGEABLE AMOUNT IS BETWEEN Rs. TEN & Rs. ONE CRORE.****(FOR A. Y. 1978-79 and A. Y. 1979-80)**

Chargeable Amount Rs.	Sur Tax @ 25% Rs. P.	Sur Tax @ 40% Rs.	Chargeable Amount Rs.	Sur Tax @ 25% Rs.	Sur Tax @ 40% Rs.	Chargeable Amount Rs.	Sur Tax @ 25% Rs.	Sur Tax @ 40% Rs.	Chargeable Amount Rs.	Sur Tax @ 25% Rs.	Sur Tax @ 40% Rs.
10	2.50	4	17000	4250	6800	51000	12750	20400	85000	21250	34000
20	5.00	8	18000	4500	7200	52000	13000	20800	86000	21500	34400
30	7.50	12	19000	4750	7600	53000	13250	21200	87000	21750	34800
40	10.00	16	20000	5000	8000	54000	13500	21600	88000	22000	35200
50	12.50	20	21000	5250	8400	55000	13750	22000	89000	22250	35600
60	15.00	24	22000	5500	8800	56000	14000	22400	90000	22500	36000
70	17.50	28	23000	5750	9200	57000	14250	22800	91000	22750	36400
80	20.00	32	24000	6000	9600	58000	14500	23200	92000	23000	36800
90	22.50	36	25000	6250	10000	59000	14750	23600	93000	23250	37200
100	25.00	40	26000	6500	10400	60000	15000	24000	94000	23500	37600
200	50.00	80	27000	6750	10800	61000	15250	24400	95000	23750	38000
300	75.00	120	28000	7000	11200	62000	15500	24800	96000	24000	38400
400	100.00	160	29000	7250	11600	63000	15750	25200	97000	24250	38800
500	125.00	200	30000	7500	12000	64000	16000	25600	98000	24500	39200
600	150.00	240	31000	7750	12400	65000	16250	26000	99000	24750	39600
700	175.00	280	32000	8000	12800	66000	16500	26400	100000	25000	40000
800	200.00	320	33000	8250	13200	67000	16750	26800	200000	50000	80000
900	225.00	360	34000	8500	13600	68000	17000	27200	300000	75000	120000
1000	250.00	400	35000	8750	14000	69000	17250	27600	400000	100000	160000
2000	500.00	800	36000	9000	14400	70000	17500	28000	500000	125000	200000
3000	750.00	1200	37000	9250	14800	71000	17750	28400	600000	150000	240000
4000	1000.00	1600	38000	9500	15200	72000	18000	28800	700000	175000	280000
5000	1250.00	2000	39000	9750	15600	73000	18250	29200	800000	200000	320000
6000	1500.00	2400	40000	10000	16000	74000	18500	29600	900000	225000	360000
7000	1750.00	2800	41000	10250	16400	75000	18750	30000	1000000	250000	400000
8000	2000.00	3200	42000	10500	16800	76000	19000	30400	2000000	500000	800000
9000	2250.00	3600	43000	10750	17200	77000	19250	30800	3000000	750000	1200000
10000	2500.00	4000	44000	11000	17600	78000	19500	31200	4000000	1000000	1600000
11000	2750.00	4400	45000	11250	18000	79000	19750	31600	5000000	1250000	2000000
12000	3000.00	4800	46000	11500	18400	80000	20000	32000	6000000	1500000	2400000
13000	3250.00	5200	47000	11750	18800	81000	20250	32400	7000000	1750000	2800000
14000	3500.00	5600	48000	12000	19200	82000	20500	32800	8000000	2000000	3200000
15000	3750.00	6000	49000	12250	19600	83000	20750	33200	9000000	2250000	3600000
16000	4000.00	6400	50000	12500	20000	84000	21000	33600	10000000	2500000	4000000

Note :—(1) Chargeable Amount means the Chargeable Profits as reduced by amount of statutory deduction.

(2) Sur-Tax @ 25% is payable on so much of the chargeable amount as does not exceed the five per cent. of the amount of capital as computed in accordance with second schedule.

(3) Sur Tax @ 40% is payable on the balance of the chargeable amount as exceed five per cent. of the amount of capital as computed in accordance with second schedule.

GIFT - TAX

Definition of "Gift" :

Under section 2(xii) of the Gift-tax Act, 1958, "*Gift*" means the transfer by one person to another of any existing movable or immovable property made voluntarily without consideration in money or money's worth, and includes the transfer or conversion of any property referred to in section 4 deemed to be a gift under that section.

Definition of "Transfer of property" :

Under section 2(xxiv) of the Gift-tax Act, "*Transfer of property*" means any disposition, conveyance, assignment, settlement, delivery, payment or other alienation of property and, without limiting the generality of the foregoing, includes (a) the creation of a trust in property; (b) the grant or creation of any lease, mortgage, charge, easement, licence, power, partnership or interest in property; (c) the exercise of a power of appointment of property vested in any person, not the owner of the property, to determine its disposition in favour of any person other than the donee of the power; and (d) any transaction entered into by any person with intent thereby to diminish directly or indirectly the value of his own property and to increase the value of the property of any other person.

Deemed gift :

Section 4 of the Gift-tax Act enacts that the following transfers shall also be deemed to be gifts—

- (1) where property is transferred otherwise than for adequate consideration, the amount by which the market value of the property at the date of the transfer exceeds the value of the consideration shall be deemed to be a gift made by the transferor provided that nothing contained in this clause shall apply in any case where the property is transferred to the Government or where the value of the consideration for the transfer is determined or approved by the Central Government or the Reserve Bank of India [s.4(1) (a)] ;
- (2) where property is transferred for a consideration which, having regard to the circumstances of the case, has not passed or is not intended to pass either in full or in part from the transferee to the transferor, the amount of the consideration which has not passed or is not intended to pass shall be deemed to be a gift made by the transferor[s. 4 (1) (b)] ;
- (3) where there is a release, discharge, surrender, forfeiture or abandonment of any debt, contract or other actionable claim or of any interest in property by any person, the value of the release, discharge, surrender, forfeiture or abandonment, to the extent to which it has not been found to the satisfaction of the Gift-tax Officer to have been *bonafide*, shall be deemed to be a gift made by the person responsible for the release, discharge, surrender, forfeiture or abandonment [s. 4 (1) (c)] ;
- (4) where a person absolutely entitled to property causes or has caused the same to be vested in whatever manner in himself and any other person jointly without adequate consideration and such other person makes an appropriation from or out of the said property, the amount of the appropriation used for the benefit of the person making the appropriation or for the benefit of any other person shall be deemed to be a gift made in his favour by the person who causes or has caused the property to be so vested [s. 4(1) (d)] ;
- (5) where an individual being a member of a Hindu undivided family converts his separate property into property belonging to the family through the act of impressing such separate property with the character of property belonging to the family or throwing it into the common stock of the family, then, notwithstanding anything contained in any provision of the Act or any other law for the time being in force, the individual shall be deemed to have made a gift of so much of the converted property as the members of the Hindu undivided family other than such individual would be entitled to, if a partition of the converted property had taken place immediately after such conversion [s. 4(2)].

Charge of gift-tax :

Section 3 of the Gift-tax Act, levies the charge for every assessment year commencing on and from the 1st day of April, 1958 in respect of the gifts made by a person during the previous year (other than gifts made before the 1st day of April, 1957) at the rate or rates specified in the Schedule to the Act.

Non-applicability of the Gift-tax Act in certain cases:

Section 45 lays down that the provisions of the Gift-tax Act, 1958 shall not apply to gifts made by—

- (a) a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956) ;
- (b) a corporation established by a Central, State or Provincial Act;
- (c) any company (other than a private company) as defined in section 3 of the Companies Act, 1956 subject to the following conditions :
 - (i) its affairs ought not to have been at any time during the previous year controlled by less than six persons; nor
 - (ii) its shares carrying more than fifty per cent. of the total voting power were at no time during the previous year held by less than six persons;

Note—For the purpose of computing the number of six persons, the persons who are related to one another as husband and wife, brother and sister, brothers, sisters or who are lineal descendants or ascendants of one another and persons who are nominees of any other person together with that other person shall be treated as a single person.

- (d) a company which is subsidiary of a public company referred to in clause (c) above and the equity shares to the extent of more than fifty per cent. in the said company are held by the public company;
- (d-a) any company, other than a company to which clause (c) or clause (d) applies, to an Indian company in a scheme of amalgamation [*amalgamation in the sense of that given under clause (1A) of section 2 of the Income-tax Act*];
- (e) any institution or fund the income whereof is exempt from income-tax under section 11 or 12 of the Income-tax Act.

Note—In the case of an institution or fund the income of which is only partly exempt from income-tax, the C.B. D.T. have decided that so long as the gifts are made from the exempted portion of the income of the institution or fund, no gift-tax should be levied on such gifts [circular No. 1(4), 59 G.T. dated 14-7-1959]

Exemption in respect of certain gifts :

Section 5(1) grants exemption in respect of following types of gifts, as such, not to be included in the computation of taxable gifts—

- S. 5(1)(i) —the gift of immovable property situate in Jammu and Kashmir and that of situate outside India ;
- S. 5(1)(ii) —the gift of movable property situate in Jammu and Kashmir and that of situate outside India, subject to the conditions—
 - (a) that the donor, being an individual, is not a citizen of India and ordinarily resident in the said territories during the previous year of gift;
 - or
 - (b) that the donor, not being an individual, is not resident in India during the previous year in which the gift was made;
- S. 5(1)(ii-a) — the gift, by an individual who is not resident in India to any person resident in India, of foreign currency or other foreign exchange which is remitted from a country outside India, in accordance with the provisions of Foreign Exchange Regulation Act, 1947 and any rules framed thereunder, during the period from 29th October, 1965 to 28th February, 1966 or during such period as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- S. 5(1) (iii) —the gift of property in the form of savings certificates issued by the Central Government, which that Government, by notification in the Official Gazette, exempts from gift-tax;
- S. 5(1) (iii-a)—the gift of property in the form of National Defence Gold Bonds 1980, not exceeding the value of such bonds for an aggregate weight of five kilo-grammes of gold in any previous year provided that the exemption conferred by this clause shall be available only to a person who has initially subscribed to the said Bonds ;
- S. 5(1)(iv) —the gift made to the Government or any local authority (or any authority referred to in clause (20A) of section 10 of the Income-tax Act, 1961 (applicable w.e.f. 1st April, 1977)

- S. 5(1)(v) the gift to any institution or fund established or deemed to be established for a charitable purpose to which the provisions of section 80G of the Income-tax Act apply ;
- Note—With effect from 1st April, 1964 sec. 5(1A) withholds exemption from charge of gift-tax in respect of gifts made to a charity which is wholly or substantially of a religious nature.
- S. 5(1)(va) (i) —gift to such temple, mosque, gurdwara, church or other place as has been notified by the Central Government for the purposes of section 80G(2)(b) of the Income-tax Act, 1961 ; or
- S. 5(1)(va) (ii) —the gift by way of settlement on trust, of property or the income from which, according to the deed of settlement, is to be used exclusively in connection with the temple, mosque, gurdwara, church or other place specified therein and notified as aforesaid ;
- S. 5(1)(vi) —gift made for any charitable purpose not falling within clause (v);—
- (a) made at any time before the 1st day of April, 1958 , or
- (b) made at any time after that date subject, in respect of each such gift, to a maximum of rupees one hundred in value and, in respect of such gifts in any one previous year to the same donee, to a maximum of rupees five hundred in value in the aggregate ;
- Note—With effect from 1st April, 1964 sec. 5(1A) withholds exemption from charge of gift-tax in respect of gifts made to a charity which is wholly or substantially of a religious nature.
- S. 5(1)(vii) —the gift made to any relative dependent upon him for support and maintenance, on the occasion of the marriage of the relative, subject to a maximum of Rs. 10,000 in value in respect of the marriage of each such relative ;
- Note—Vide C.B.R. circular No. 1(I)-59/G.T. dated 27th February, 1959, the exemption will be allowed also in case of gifts made by a Hindu undivided family to members of the family dependent upon the family for support and maintenance.
- S. 5(1)(viii) —the gift made to his or her spouse, subject to a maximum of Rs. 50,000 in value in the aggregate in one or more previous years; the expression spouse in this clause where there are more wives than one, meaning all the wives together.
- S. 5(1)(ix) —the gift of policies of insurance or annuities to any person (other than his wife) who is dependent upon him for support and maintenance, subject to a maximum of Rs. 10,000 in value in the aggregate in one or more previous years of the benefits in respect of each such donee ;
- Note—The value of the benefit conferred by the assignment of a policy would have to be taken at the surrender value of the policy as on the date of the gift [see Rule 10(1) of the Gift-tax Rules, 1958] ;
- S. 5(1)(x) —the gift made under a will ;
- S. 5(1)(xi) —the gift made in contemplation of death ;
- S. 5(1)(xii) —gift for the education of his children, to the extent to which the gifts are proved to the satisfaction of the Gift-tax Officer as being reasonable having regard to the circumstances of the case ;
- Note—In the case of such gifts, the Gift-tax Officer will take into consideration the income of the donor and the nature of education that is being proposed to be given to the child, and then decide whether and how far the gift is reasonable [C.B.R. Circular No. 1(I)-59/G.T. dated 27th February, 1959] ;
- S. 5(1)(xiii) —gift made by an employer to an employee by way of bonus, gratuity or pension, or to the dependants of a deceased employee, to the extent to which the payment of such bonus, gratuity or pension is proved to the satisfaction of the Gift-tax Officer as being reasonable having regard to the circumstances of the case and is made solely in recognition of the services rendered by the employee ;
- S. 5(1)(xiv) —the gift made in the course of carrying on a business, profession or vocation to the extent to which the gift is proved to the satisfaction of the Gift-tax Officer to have been made *bona-fide* for the purpose of such business, profession or vocation ;
- S. 5(1)(xv) —the gift made to any person-in-charge of any such *BHOODAN* or "*SAM-PATTIDAN*" movement as recognized by the Central Government.

Basic exemption :

Section 5(2) provides that the amount of taxable gift would be determined by deducting an amount of Rs. 5,000 from the total gifts computed after allowing the various specific exemption available under section 5(1) of the Gift-tax Act, 1958.

It is important to note that the amount of taxable gifts for any assessment year shall be determined by deducting the amount of basic exemption in force during the relevant assessment year and not that during the year when assessment is made.

Gift made out of the "spouse gift" earns no exemption :

Sub-section (3) of section 5 enacts that when the "*donee spouse*" makes in his or her turn any gift out of the "*spouse gift*", such further gift shall be deemed to be a taxable gift and that nothing contained in sub-section (1) or sub-section (2) of section 5 shall apply in relation to any such gifts. This would result that even those gifts which are specifically exempted under sub-section (1) of section 5 shall become taxable when the source of the gift is a "*spouse gift*" and further the basic exemption of Rs. 5,000 granted by sub-section (2) of section 5 shall become inapplicable to a gift made out of a "*spouse gift*". In other words, a gift made by one spouse to another is tax-free only once in its career and that too at the initial stage of the making of the gift by one spouse to the other to the extent of Rs. 50,000/-. Any subsequent gift thereof earns no exemption.

Determination of value of the gifted property :

According to section 6 of the Gift-tax Act, 1958, the value of the gifted property shall be determined in the following manner—

- (1) The value of any property other than cash transferred by way of gift shall be estimated to be the price which in the opinion of the Gift-tax Officer it would fetch if sold in the open market on the date on which the gift was made;
- (2) Where a person makes a gift which is not revocable for a specified period, the value of the property gifted shall be the capitalised value of the income from the property gifted during the period for which the gift is not revocable;
- (3) Where the value of any property cannot be estimated because it is not saleable in the open market, the value shall be determined in the prescribed manner [*the relevant Rule 10 of the Gift-tax Rules, 1958 may be referred in this behalf*]

Aggregation of gifts made during a certain period :

Under section 6A, notwithstanding anything contained in this Act, where an assessee has made taxable gifts during any previous year and has also made taxable gifts (not being gifts made at any time before the 1st day of June, 1973) during any one or more of the four previous years immediately preceding such previous year, the gift-tax payable by him for the assessment year relevant to such previous year, (hereinafter in this section referred to as the assessment year) shall be determined in the following manner, namely :

- (a) the value of the taxable gifts made during any one or more of the four previous years immediately preceding such previous year shall be aggregated with the value of the taxable gifts made by the assessee during such previous year and gift-tax shall be calculated on the aggregate value at the rate or rates applicable for the assessment year;
- (b) from the amount of gift-tax calculated under clause (a), there shall be deducted an amount equal to the gift-tax payable had the value of the taxable gifts made during one or more of the four previous years immediately preceding such previous year been aggregated and tax levied thereon at the rate or rates applicable for the assessment year, and the balance shall be the amount of gift-tax payable by the assessee.

Rebate on advance payments :

Under section 18, if a person making a taxable gift pays into the treasury within fifteen days of his making the gift any part of the amount of tax due on the gift calculated at the rates specified in the Schedule or, in a case where the provisions of section 6A are applicable to a gift, in the manner specified in that section, he shall, at the time of assessment under section 15, be given credit—

- (i) for the amount so paid; and
- (ii) for a sum equal to one-ninth of the amount so paid, so however, that such sum shall in no case exceed one-tenth of the tax due on the gift.

Explanation If a person makes more than one taxable gift in the course of a previous year, the amount of tax due on any one of such gifts shall be the difference between the total amount of tax due on the aggregate value of all the taxable gifts so far made, including the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule or, as the case may be, in the manner specified in section 6A, and the total amount of tax on the aggregate value of all the gifts made during that year, excluding taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule or, as the case may be, in the manner specified in section 6A.

Credit for stamp duty paid on instrument of gift :

Section 18A enacts that where, according to the law of any State, stamp duty is payable on an instrument of gift of property in respect of which the gift-tax payable exceeds Rs. 1,000 the assessee shall be entitled to a deduction from the gift-tax payable by him equal to—

- (a) the amount of stamp duty so paid, or
- (b) 50% of the gift-tax in excess of Rs. 1,000; whichever is less.

Submission of gift-tax return :

(1) Under section 13(1), every person who during a previous year has made any taxable gifts or is assessable in respect of the taxable gifts made by any other person under this Act [*i. e., under section 19 and section 21A of the Gift-tax Act, 1958*] shall furnish to the Gift-tax Officer a return of gift in the prescribed form [*see Rule 3 of the Gift-tax Rules, 1958*] before the 30th day of June of the corresponding assessment year.

Under section 13(3), the Gift-tax Officer may in his discretion extend the date for the delivery of the return.

(2) Under section 13(2), if in the opinion of the gift-tax Officer any person is assessable under this Act, he may, before the end of the relevant assessment year, serve a notice upon such person requiring him to furnish within thirty days from the date of service of the notice a return of the gift made by him or by any other person for which he is assessable under this Act, during the previous year in the prescribed manner and setting forth such other particulars as may be prescribed.

Under section 13(3), the Gift-tax Officer may in his discretion extend the date for the delivery of the return.

(3) Under section 14, if any person has not furnished a return within the time allowed under section 13, or having furnished a return under that section, discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

Non-filing or late-filing of return of gift :

Section 17(1)(a) prescribes that if the Gift-tax Officer, Appellate Assistant Commissioner, Commissioner, or Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person has without reasonable cause failed to furnish the return required to be furnished under section 13(1) or by notice given under section 13(2) or section 16 or has, without reasonable cause, failed to furnish it within the time allowed and in the manner required by section 13(1) or by such notice, as the case may be, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of gift tax payable by him, a sum equal to 2% of the tax for every month during which the default continued.

Non-compliance of notice under section 15(2) or section 15(4) :

Section 17(1)(b) prescribes that if the Gift-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person has without reasonable cause failed to comply with a notice under section 15(2) [*notice requiring the assessee to attend in person or to produce or cause to be produced any evidence*] or a notice under section 15(4) [*notice requiring the assessee to produce or cause to be produced any accounts, records or other documents*], he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of gift-tax payable by him, a sum equal to not less than 10%, but not exceeding 50%, of the amount of tax, if any, which would have been avoided if the return made by such person had been accepted as correct.

Concealment of the particulars of gift etc.

Section 17(1)(c) prescribes that if the Gift-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal, in the course of any proceedings under the Act, is satisfied that any person has concealed the particulars of any gift or deliberately furnished inaccurate particulars thereof, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the gift-tax payable by him, a sum equal to not less than 20% but not exceeding 150% of the tax, if any, which would have been avoided if the return made by such person had been accepted as correct. If the minimum penalty exceeds Rs. 1,000 the Gift-tax Officer shall not make any order for payment of penalty without the previous approval of the Inspecting Assistant Commissioner.

Rounding off of taxable gifts (s. 44-A) :

The value of all taxable gifts is to be rounded off to the nearest multiple of Rs. 10. For this purpose, any part of rupee is to be completely ignored and thereafter, if the last digit is less than five the amount shall be reduced to the next lower amount which is a multiple of ten and, if the last digit is five or more than five then the amount shall be increased to the next higher amount which is a multiple of ten.

Rounding off of tax, etc. (s. 44-B) :

The amount of gift-tax, interest, penalty, fine or any other sum payable and the amount of refund due shall be rounded off to the nearest multiple of Re. 1, ignoring the paise if it is less than fifty and increasing it to Re. 1 if it is fifty or more paise.

Example 1 : Mr. X gifted a sum of Rs. 40,000 to his wife and Rs. 30,000 to his daughter-in-law during the financial year 1977-78. He has not made any taxable gift between 1-6-73 to 31-3-77. He deposited a sum of Rs. 1,350 in Government Treasury within fifteen days of making the gift. Calculate the gift-tax payable.

Solution :

Computation of taxable gift

Amount gifted			Rs. 70,000
Less—Gift to wife			
[sec. 5(1)(viii)]	Rs. 40,000		
—Basic exemption			
[sec. 5(2)]	Rs. 5,000	Rs. 45,000	
	Taxable gift	Rs. 25,000	

Calculation of gift tax

Gift-tax on taxable gift of Rs. 25,000	Rs. 1,500
Less—Rebate on advance payments	
1/9 of advance payment of Rs. 1,350	
or	
1/10 of tax due, whichever is less	Rs. 150
Tax payable	Rs. 1,350
Advance tax paid	Rs. 1,350

Example 2 : Mr. Z gifted a sum of Rs. 8,000 to his son for his education and a house worth Rs. 40,000 to his daughter. He incurred a sum of Rs. 3,200 for the registration of the gift of house. He has not made any taxable gift between 1-6-73 to 31-3-77. Calculate the gift tax payable.

Solution :

Computation of taxable gift

Amount gifted			Rs. 48,000
Less—Gift to son for his education			
[sec 5(1) (xii)]	Rs. 8,000		
—Basic exemption			
[sec 5(2)]	Rs. 5,000	Rs. 13,000	
	Taxable gift	Rs. 35,000	

Calculation of gift-tax

Gift-tax on taxable gift of Rs. 35,000		
Less—deduction for stamp duty		Rs. 2,500
[sec. (18 A)]		
(i) stamp duty paid or	Rs. 3,200	
(ii) one half of the sum by which the		
gift-tax payable exceeds Rs. 1,000	Rs. 750	
Lower of the two is allowable		Rs. 750
Gift-tax payable	Rs.	<u>1,750</u>

Example 3 : Mr. Z had given various gifts during the last 4 years as under :—

Assessment year 1974-75 (After 31-5-73)	Rs. 20,000
Assessment year 1975-76	Rs. 10,000
Assessment year 1978-79	Rs. 15,000

Solution : Calculate the gift-tax payable during the assessment year 1978-79.

Computation of taxable gift

Assessment year	Gift	Basic exemption u/s 5(2)	Taxable Gift
1973-74	Rs. 10,000	Rs. 5,000	Rs. 5,000
1974-75	Rs. 20,000	Rs. 5,000	Rs. 15,000
1975-76	Rs. 10,000	Rs. 5,000	Rs. 5,000
1978-79	Rs. 15,000	Rs. 5,000	Rs. 10,000

Calculation of gift tax

Gift-tax on aggregated taxable gift (i.e., made in the previous year and last 4 previous years preceding the previous year excluding the gift made prior 1-6-73

1974-75	Rs. 15,000
1975-76	Rs. 5,000
1978-79	Rs. 10,000
	Rs. 30,000

Gift tax on Rs. 30,000 Rs. 2,000

Less—gift tax on aggregated taxable gift made in the last 4 previous years immediately preceding the previous year

1974-75	Rs. 15,000
1975-76	Rs. 5,000
	Rs. 20,000

Gift tax on Rs. 20,000 Rs. 1,000

Gift tax payable during A. Y. 1978-79 Rs. 1,000

Note—Gift made prior to 1-6-1973 are not to be taken into consideration for the purposes of aggregation and arriving at tax liability.

Rates of Gift-tax

[For the assessment year 1977-78]

To arrive at the taxable gift, a sum of Rs. 5,000 will be deducted u/s 5(2) of the Gift-tax Act, 1958 (being basic exemption) from the value of total gifts.

(1) on the first Rs. 20,000 of taxable gifts	(0- 20,000)	5%
(2) on the next Rs. 30,000 of taxable gifts	(20,010- 50,000)	10%
(3) on the next Rs. 50,000 of taxable gifts	(50,010- 1,00,000)	15%
(4) on the next Rs. 1,00,000 of taxable gifts	(1,00,010- 2,00,000)	20%
(5) on the next Rs. 3,00,000 of taxable gifts	(2,00,010- 5,00,000)	25%
(6) on the next Rs. 5,00,000 of taxable gifts	(5,00,010- 10,00,000)	30%
(7) on the next Rs. 5,00,000 of taxable gifts	(10,00,010- 15,00,000)	40%
(8) on the next Rs. 5,00,000 of taxable gifts	(15,00,010- 20,00,000)	50%
(9) on the balance of taxable gifts	(Above Rs. 20,00,000)	75%

GIFT TAX TABLE

Where the taxable gift is between Rs. 10 & Rs. 2,00,000.
(For the assessment year 1978-79 & 1979-80*)

Value of taxable gift between Rs. 10 & Rs. 20,000 @ 5%		Value of taxable gift between Rs. 20,000 & Rs. 50,000 @ 10%		Value of taxable gift between Rs. 50,000 & Rs. 1,00,000 @ 15%		Value of taxable gift between Rs. 1,00,000 & Rs. 1,50,000 @ 20%		Value of taxable gift between Rs. 1,50,000 & Rs. 2,00,000 @ 20%	
Taxable Gift	Gift Tax	Taxable Gift	Gift Tax	Taxable Gift	Gift Tax	Taxable Gift	Gift Tax	Taxable Gift	Gift Tax
Rs.	Rs. P.	Rs.	Rs.	Rs.	Rs. P.	Rs.	Rs.	Rs.	Rs.
10	0.50	10	1	10	1.50	10	2	10	2
20	1.00	20	2	20	3.00	20	4	20	4
30	1.50	30	3	30	4.50	30	6	30	6
40	2.00	40	4	40	6.00	40	8	40	8
50	2.50	50	5	50	7.50	50	10	50	10
60	3.00	60	6	60	9.00	60	12	60	12
70	3.50	70	7	70	10.50	70	14	70	14
80	4.00	80	8	80	12.00	80	16	80	16
90	4.50	90	9	90	13.50	90	18	90	18
100	5.00	100	10	100	15.00	100	20	100	20
200	10.00	200	20	200	30.00	200	40	200	40
300	15.00	300	30	300	45.00	300	60	300	60
400	20.00	400	40	400	60.00	400	80	400	80
500	25.00	500	50	500	75.00	500	100	500	100
600	30.00	600	60	600	90.00	600	120	600	120
700	35.00	700	70	700	105.00	700	140	700	140
800	40.00	800	80	800	120.00	800	160	800	160
900	45.00	900	90	900	135.00	900	180	900	180
				1000	150.00	1000	200	1000	200
				2000	300.00	2000	400	2000	400
				3000	450.00	3000	600	3000	600
				4000	600.00	4000	800	4000	800
1000	50	20000	1000	50000	4000	100000	11500	150000	21500
1500	75	21000	1100	51000	4150	101000	11700	151000	21700
2000	100	22000	1200	52000	4300	102000	11900	152000	21900
2500	125	23000	1300	53000	4450	103000	12100	153000	22100
3000	150	24000	1400	54000	4600	104000	12300	154000	22300
3500	175	25000	1500	55000	4750	105000	12500	155000	22500
4000	200	26000	1600	56000	4900	106000	12700	156000	22700
4500	225	27000	1700	57000	5050	107000	12900	157000	22900
5000	250	28000	1800	58000	5200	108000	13100	158000	23100
5500	275	29000	1900	59000	5350	109000	13300	159000	23300
6000	300	30000	2000	60000	5500	110000	13500	160000	23500
6500	325	31000	2100	61000	5650	111000	13700	161000	23700
7000	350	32000	2200	62000	5800	112000	13900	162000	23900
8000	400	33000	2300	63000	5950	113000	14100	163000	24100
9000	450	34000	2400	64000	6100	114000	14300	164000	24300
10000	500	35000	2500	65000	6250	115000	14500	165000	24500
11000	550	36000	2600	66000	6400	116000	14700	166000	24700
12000	600	37000	2700	67000	6550	117000	14900	167000	24900
13000	650	38000	2800	68000	6700	118000	15100	168000	25100
14000	700	39000	2900	69000	6850	119000	15300	169000	25300
15000	750	40000	3000	70000	7000	120000	15500	170000	25500
				75000	7750	125000	16500	175000	26500
16000	800	42000	3200	80000	8500	130000	17500	180000	27500
17000	850	44000	3400	85000	9250	135000	18500	185000	28500
18000	900	46000	3600	90000	10000	140000	19500	190000	29500
19000	950	48000	3800	95000	10750	145000	20500	195000	30500
20000	1000	50000	4000	100000	11500	150000	21500	200000	31500

Notes—(i) Taxable gifts have been determined after allowing basic exemption of Rs. 5,000.

(ii) In the absence of any provision in the Finance Act, 1978 it can be presumed that the rates and exemption limit etc., will be the same for the assessment year 1978-79.

GIFT TAX TABLE**Where the taxable gift is between Rs. 2,00,000 to 25,00,000.****(For the Assessment year 1978-79 & 1979-80)**

Value of Taxable Gift Between Rs. 200000 & Rs. 500000 @ 25%		Value of Taxable Gift Between Rs. 500000 & Rs. 1000000 @ 30%		Value of Taxable Gift Between Rs. 1000000 & Rs. 1500000 @ 40%		Value of Taxable Gift Between Rs. 1500000 & Rs. 2000000 @ 50%		Value of Taxable Gift Between Rs. 2000000 & Rs. 2500000 @ 75%	
Taxable Gift	Gift Tax	Taxable Gift	Gift Tax	Taxable Gift	Gift Tax	Taxable Gift	Gift Tax	Taxable Gift	Gift Tax
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
200	50	200	60	200	80	200	100	200	150
300	75	300	90	300	120	300	150	300	225
400	100	400	120	400	160	400	200	400	300
500	125	500	150	500	200	500	250	500	375
600	150	600	180	600	240	600	300	600	450
700	175	700	210	700	280	700	350	700	525
800	200	800	240	800	320	800	400	800	600
900	225	900	270	900	360	900	450	900	675
1000	250	1000	300	1000	400	1000	500	1000	750
2000	500	2000	600	2000	800	2000	1000	2000	1500
3000	750	3000	900	3000	1200	3000	1500	3000	2250
4000	1000	4000	1200	4000	1600	4000	2000	4000	3000
5000	1250	5000	1500	5000	2000	5000	2500	5000	3750
6000	1500	6000	1800	6000	2400	6000	3000	6000	4500
7000	1750	7000	2100	7000	2800	7000	3500	7000	5250
8000	2000	8000	2400	8000	3200	8000	4000	8000	6000
9000	2250	9000	2700	9000	3600	9000	4500	9000	6750
10000	2500	10000	3000	10000	4000	10000	5000	10000	7500
20000	31500	50000	106500	100000	256500	150000	456500	200000	706500
210000	34000	520000	112500	1020000	264500	1520000	466500	2020000	721500
220000	36500	540000	118500	1040000	272500	1540000	476500	2040000	736500
230000	39000	560000	124500	1060000	280500	1560000	486500	2060000	751500
240000	41500	580000	130500	1080000	288500	1580000	496500	2080000	766500
250000	44000	600000	136500	1100000	296500	1600000	506500	2100000	781500
260000	46500	620000	142500	1120000	304500	1620000	516500	2120000	796500
270000	49000	640000	148500	1140000	312500	1640000	526500	2140000	811500
280000	51500	660000	154500	1160000	320500	1660000	536500	2160000	826500
290000	54000	680000	160500	1180000	328500	1680000	546500	2180000	841500
300000	56500	700000	166500	1200000	336500	1700000	556500	2200000	856500
310000	59000	720000	172500	1220000	344500	1720000	566500	2220000	871500
320000	61500	740000	178500	1240000	352500	1740000	576500	2240000	886500
330000	64000	760000	184500	1260000	360500	1760000	586500	2260000	901500
340000	66500	780000	190500	1280000	368500	1780000	596500	2280000	916500
350000	69000	800000	196500	1300000	376500	1800000	606500	2300000	931500
360000	71500	820000	202500	1320000	384500	1820000	616500	2320000	946500
370000	74000	840000	208500	1340000	392500	1840000	626500	2340000	961500
380000	76500	860000	214500	1360000	400500	1860000	636500	2360000	976500
390000	79000	880000	220500	1380000	408500	1880000	646500	2380000	991500
400000	81500	900000	226500	1400000	416500	1900000	656500	2400000	1006500
420000	86500	920000	232500	1420000	424500	1920000	666500	2420000	1021500
440000	91500	940000	238500	1440000	432500	1940000	676500	2440000	1036500
460000	96500	960000	244500	1460000	440500	1960000	686500	2460000	1051500
480000	101500	980000	250500	1480000	448500	1980000	696500	2480000	1066500
500000	106500	1000000	256500	1500000	456500	2000000	706500	2500000	1081500

Note :—1. Taxable gifts have been determined after allowing basic exemption of Rs. 5,000**2. *In absence of any provisions in the Finance Act 1978 it can be presumed that the rates and exemption limit etc., will be the same for the assessment year 1979-80**

Date of enforcement [Section 1(3)] :

The Estate Duty Act came into force on 15th October, 1953 vide notification No. S. R. C. 1882 dt. 8-10-1953.

Accountable person [Section 2 (12-A)] :

It means the person accountable for estate duty within the meaning of this Act, and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of the Principal value of the estate of the deceased.

Under sec. 53 of the Estate Duty Act, 1953, the followings are the accountable person in case where the property passes on the death of the deceased—

- (a) every legal representative to whom such property so passes for any beneficial interest in possession or in whom any interest in the property so passing is at any time vested ;
- (b) every trustee, guardian, committee or other person in whom any interest in the property so passing or the management thereof is at any time vested, and
- (c) every person in whom any interest in the property so passing is vested in possession by alienation or other derivative title.

NOTE—(i) The accountable person shall not be liable for any duty in excess of the assets of the deceased which he actually received or which, but for his own neglect or default, he might have received.

(ii) Where an heir-at-law proves to the satisfaction of the Controller that some other person is in adverse possession of any assets of the deceased, the heir-at-law shall not be accountable for the portion of the estate duty payable in respect of such assets. But, if he recovers any portion subsequently, he shall become accountable to the extent of such portion.

Principal officer [Section 2 (14-A)] :

In relation to a company or a corporation established by a Central State or Provincial Act, "principal officer" means the manager, managing director, managing agent or secretary, and includes any person connected with the management of the company or corporation upon whom the Controller has served a notice of his intention of treating him as the principal officer for the purposes of this Act.

Levy of estate duty [s. 5] :

Sec. 5(1) provides that there shall be levied and paid upon the principal value of all property, settled or not settled, *[including agricultural lands situated in any of the States other than those of West Bengal and Jammu and Kashmir]* which passes on the death of a person during on or after the commencement of the Act, a duty at the rates fixed in accordance with sec. 35.

Properties aggregable as well as leviable :

All properties which pass, or are deemed to pass, on the death, leaving out "non-leviable and non-agregable properties" and "estate by itself", are to be aggregated and charged to duty. Such properties are:—

Section	Property includible into aggregation and charge	To the extent of
1	2	3
5(1)	All property, settled or not settled, including agricultural land situate in any State specified in Schedule 1, which passes on the death of the deceased.	Whole
6	Property which the deceased was at the time of his death competent to dispose of.	Whole
7(1)	Property in which the deceased or any other person had an interest ceasing on the death of the deceased, in particular a coparcenary interest in the joint family property of a Hindu family governed by the <i>Mitakshara</i> , <i>Marumakkattaym</i> or <i>Aliyasantana Law</i> .	To the extent to which a benefit accrues or arises by the cesser of such interest.

1	2	3
8	Property taken as a gift made in contemplation of death.	Whole
9(1)	Gifted property, where the gift was made within the vulnerable period six months for gifts to a public charity and two years for other gifts, except gifts u/s. 9(2).	Whole
10	Property under any gift, whenever made.	To the extent that <i>bonafide</i> possession and enjoyment was not immediately assumed by the donee & thence forward retained to the entire exclusion of the donor or of any benefit to him by contract or otherwise, etc.
11(1)	Property wherein his limited interests were disposed of by the deceased within a certain period before death, etc.	Whole
12(1)	Property passing under any non-testamentary settlement made by the deceased whereby an interest in such property for life or any other period determinable by reference to death is reserved to the settlor, etc.	Whole
13	Property belonging to the deceased, later transferred to or vested in himself and any other person jointly so that the beneficial interest passes or accrues by survivorship on his death to the other person.	Whole
14(1)	Moneys received under insurance policies on the life of the deceased, where the policy was wholly <i>kept up</i> by him for the benefit of a donee.	Whole, if wholly kept up. Proportionate, if partially kept up.
15	Actuarial value of any annuity or other interest purchased or provided by the deceased.	To the extent of the beneficial interest accruing or arising on his death.
16	Actuarial value of any annuity or other interest provided or purchased, wholly or in part, by or from the resources of the deceased.	To the extent it was so provided or purchased.
17	"Slice" of the assets of a controlled company whereto the deceased had made a transfer of any property.	

Non-Leviable and non-aggregable properties :

The following properties are *non-leviable* and are to be ignored and left out from the aggregation. The list contains partial exemptions also, where the value of the property up to the stipulated monetary ceiling is to be ignored, but any excess thereafter is to be included in the aggregation as well as the charge. Such properties are—

Section	Property to be excluded	To the extent of
1	2	3
7(4)	Property in which the deceased had an interest only as holder of an office or recipient of the benefit of a charity or as a corporation sole.	Whole
9(1)	Gifts <i>bonafide</i> made two years or more before death (six months where the gift is to a public charity).	Whole
9(2) (a)	Gifts made in consideration of marriage.	Rs. 10,000

2	2	3
9(2) (b)	Gifts which are proved to have been part of the normal expenditure of the deceased.	Rs. 10,000
21	Immovable property situated outside India, movable property situated outside India at the time of the death but not where the deceased was domiciled in India at the time of his death and, in the case of settled movable property of which the deceased was only a life tenant, the settlor was domiciled in India at the time the settlement took effect.	Whole
22	Property held by the deceased as a trustee for another person under a disposition not made by the deceased, etc.	Whole
23	Settled property, where the interest of the deceased under the settlement fails or determines by reason of his death before it became an interest in possession, and one or more subsequent limitations under the settlement continue to subsist.	Whole
24	Settled property reverting to the disponer on the death of the deceased life tenant in terms of the settlement.	Whole
25	Settlement took effect before 15-10-1953 made by one of the spouses for the benefit of the other, or jointly, as to the income from the property settled, settlor-survivor becoming entitled to the <i>income</i> of the property on the death of the other.	Whole
26	Property passing on the death of the deceased by reason only of a <i>bonafide</i> purchase from the person under whose disposition the property passes; also falling into possession of the reversion on any lease for lives, etc., where such purchase or lease was for full consideration in money or money's worth.	Whole
27	Disposition made by the deceased, even in favour of a "relative", for full consideration in money or money's worth, or where the deceased was concerned in a fiduciary capacity imposed on him otherwise than by a disposition made by him and in such a capacity only.	Whole
29	Settled property, in respect of which estate duty has already been paid since the date of the settlement, reverting to the other party to the marriage, on the death of the spouse unless such other party was competent to dispose of such property and was <i>Sui juris</i> in case subsequent limitations under the settlement were to take effect.	Whole
29A	Pensions payable to the widow or other dependants under the Revised Pension Rules of the Central Government or under a similar scheme of a State Government, a local authority or a statutory corporation, or under the New Pension Code applicable to the members of the Defence Services, or any annuity or pension payable to such widow or dependants from an approved superannuation fund, etc.	Whole
31, Expl. 2	Property passing on a subsequent death occurring within a period of three months after the death of any person in respect of whose property (including this property) estate duty had become payable.	Whole
32	Interest of a Hindu widow, dying within seven years of her husband's death, devolving on the reversioners if and in-so-far as estate duty had been paid in respect of passing of such interest on the death of her husband	Whole

1	2	3
33(1)(c)	Household goods, including tools of artisans, agricultural implements or any other tools or implements as were necessary to the deceased to earn his livelihood.	Rs. 2,500
33(1)(d)	Books not intended for sale.	Whole
33(1)(e)	Wearing apparel but <i>not including</i> any precious or semi-precious stones or ornaments worked or sewn into the wearing apparel.	The value of the apparel excluding the value of the stones or ornaments.
33(1)(i)	Drawings, paintings, prints, manuscripts, works of art or archaeological or scientific collections, subject to the conditions prescribed in rules 11, 12 and 13 of the Estate Duty Rules.	Whole
33(1)(j)	Drawings, paintings, photographs, prints, manuscripts and any other heirloom, not falling within section 33(1)(i), which are retained in the family and are dealt with or disposed of in accordance with rules 11, 12 and 13 of the Estate Duty Rules.	Whole
33(1)(L)	"Any one building, belonging to and in the occupation of a Ruler as defined in sub-clause (b) of clause (2) of article 363 of the constitution which is declared by the Central Government as his official residence (<i>Notification No. G. S. R. 461 dated 27-3-73</i>)"	Whole
33(1)(m)	Property of a member of the armed forces of the Union who was killed in action during operations against an enemy, when passing on such death [<i>w. e. f. 1-7-1960</i>].	Whole
33(1)(mm)	Property of a member of any police force (including border security force) who was killed in any action in protecting the border, when passing on such death [<i>w. e. f. 1-4-1965</i>].	Whole
33(1)(n)	One house or part thereof exclusively used by the deceased for his residence [<i>w. e. f. 1-4-1964</i>].	Rs. 1,00,000 if situate in a place with population exceeding 10,000, otherwise the whole.
33(1)(o)	Property gifted by the deceased, beyond a period of five years before his death; to his or her spouse, son, daughter, brother or sister, provided that such gift was chargeable to gift-tax, or was specifically exempted under s. 5 of the Gift-tax Act for assessment year 1964-65 or a subsequent assessment year [<i>w. e. f. 1-4-1965</i>].	Whole
33(1)(p)	National Defence Gold Bonds, 1980. Exemption is available only in respect of passing of property on the first death and not any subsequent death [<i>w. e. f. 19-10-1965</i>].	Value for an aggregate weight of 50 kilogrammes of gold.
33(2)	Property, if any, notified for exemption by the Central Government.	To the extent specified in the notification.

Aggregable but not leviable properties—Under sec. 34(1) (a), of Estate Duty Act, 1953 certain categories of property shall, nevertheless, come in for aggregation so as to enhance the rate of duty in respect of the leviable estate. Such exempted properties are :—

Section	Property aggregable but not leviable	Extent
1	2	3
33(1)(a)	Property gifted by the deceased for a public charitable purpose, within six months of his death.	Whole is aggregable. Duty to be remitted on a sum upto Rs. 2,500 constituting such gift.

1	2	3
33(1) (b)	Property gifted by the deceased for any other purpose, within two years of his death.	Whole is aggregable. Duty to be remitted on a sum upto Rs. 1,500 constituting such gift.
33(1)(f)	Moneys payable on insurance policies effected by the deceased on his life for the purpose of payment of estate duty, or assigned, for that purpose, to the Government.	Whole is aggregable. Duty to be remitted on an amount to the extent of the amount of duty payable, or Rs. 50,000, whichever is less.
33(1)(g)	Moneys deposited with the Government in the prescribed manner for payment of estate duty, together with interest accrued thereon.	Whole is aggregable. Duty to be remitted on a sum up to Rs. 5,000.
33(1)(h)	Moneys payable under insurance policies effected by the deceased on his life.	Whole is aggregable. Duty to be remitted on amounts up to Rs. 10,000 for the marriage of each such relative.
33(1) (k)	Moneys earmarked under policies of insurance effected by the deceased parent or natural guardian, or under settlement or declaration of trust made by such parent or natural guardian, for the marriage of his female relatives dependent upon him for necessities of life.	Whole is aggregable. Duty to be remitted on the value of the interests of the lineal descendants.
34(1)(b) & 34(2) <i>Expl. (ii)</i>	Agricultural land belonging to the deceased and situate in West Bengal and Jammu and Kashmir.	Whole is aggregable. Duty to be remitted on whole of the value of the land.
34(1)(c) & 34(2), <i>Expl. (iii)</i>	Coparcenary interest in the joint family property of <i>Mitakshara</i> , <i>Marumakkattayam</i> or <i>Aliyasantana</i> Hindu family, the interests of all the lineal descendants of the deceased.	Whole is aggregable. Duty to be remitted on the value of the interests of the lineal descendants.

Estate by itself not aggregable [section 34(3)] :

Any property passing in which the deceased never had an interest, not being a right or debt or benefit that is treated as property by virtue of *Explanation* to clause 15 of section 2, shall not be aggregated with any property, but shall be an "estate by itself", and the estate duty shall be levied at the rate or rates applicable in respect of the principal value thereof. Example of such property may be as under :—

- (1) By the terms of the settlement, property X belonging to A will pass to C on the death of B. B has no interest in X, still X passes on the death of B and becomes dutiable on the death of B. Thus X will be treated as a separate estate by itself.
- (2) B takes out and keeps up, a policy on his life under the Married Women's Property Act for the benefit of his wife. B has no interest in the policy money, which shall belong to his wife, payable on B's death. Under section 14(1), such policy amount becomes dutiable, but section 34(3) treats it as an estate by itself.

Deductions to be made from the value of the estate :

In determining the value of an estate for the purpose of estate duty the following sums will be allowed as deduction from the gross principal value of assets comprising the estate of the deceased :—

- (1) Funeral expenses (including all expenses which may have to be incurred in connection with the *sradha* or *barsi* ceremonies of the deceased for a period of one year from his death) not exceeding Rs. 1,000 [s. 44] ;
- (2) Debts and incumbrances, if incurred or created by the deceased *bonafide* for full consideration in money or money's worth wholly for the deceased's own use and benefit and take effect out of his interest and any debt or incumbrance for which an allowance is made deductible from the value of the property liable thereto [s. 44] ;

However, the following debts and incumbrances are not deductible -

- (i) debts not for deceased's own use and benefit [s. 44(a)] ;
- (ii) debts in respect whereof there is right to reimbursement from any other estate or person [s. 44(b)] ;
- (iii) more than once for the same debt or incumbrance charged upon different portions of the estate [s. 44(c)] ;
- (iv) dower debts in excess of Rs. 5,000 [s. 44(d)] ;
- (v) debts and incumbrances incurred for the purchase or acquisition or extinction of an interest in expectancy [s. 45] ;
- (vi) debts etc. borrowed from persons to whom deceased had earlier, conveyed some property [s. 46] ;
- (vii) debts due from deceased to persons resident out of India unless contracted to be paid in India or charged on properties situate in India or duty paid, foreign assets are insufficient [s. 47] ;
- (3) Cost of realising or administering foreign property not exceeding 5% of the value of the property [s. 48] ;
- (4) Duty paid in a non-reciprocating country subject to Rule 16 of the Estate Duty Rules, 1953 [s. 49].

Deductions to be made from the amount of the duty assessed :

The following sums are deductible from the estate duty payable :—

(1) *Court fees [section 50]*—Where any fees have been paid under any law relating to court fees in force in any State for obtaining probate, letters of administration or a succession certificate in respect of any property on which estate duty is leviable under this Act, the amount of estate duty payable shall be reduced by an amount which is equal the court fees so paid.

(2) *Gift-tax [section 50-A]*—Where the gift-tax has been paid in respect of a property which is included in the estate of the donor as property passing on death, then, the estate duty payable shall be reduced by an amount equal to the amount of gift-tax paid in respect of such property.

(3) *Tax on capital gains [section 50-B]*—Where any property on which estate duty is leviable under this Act, is transferred within a period of two years following the death of the deceased and the tax under the Income-tax Act, 1961 has been paid in respect of capital gains arising from such transfer, the estate duty payable shall be reduced by a sum which bears to the total amount of tax so paid the same proportion as the amount paid towards estate duty out of the proceeds of the transfer bears to the gross proceeds of such transfer :

Provided that the Board may, on an application of the accountable person, extend the period of two years aforesaid if there is sufficient cause for not effecting the transfer within that period.

The formula for ascertainment of relief under section 50-B is given hereunder :—

$$R = \frac{E}{P} \times C$$

R = the relief allowable under section 50-B.

E = the amount of estate duty paid out of the sale proceeds, from assets transferred.

C = the capital gains tax paid.

P = sale proceeds from assets transferred.

Rebate on agricultural lands [Section 35(3)] :

The agricultural lands situated in the non-adopting State of West Bengal and Jammu and Kashmir are not leviable with estate duty [see, *Expl. (ii) to s. 34(2)*], but, at the same time, their value goes into aggregation [vide s. 34(1) (b)] in order to determine the rate applicable. As for all other States specified in Schedule I to the Act, section 5 (1) includes in the dutiable estate of the deceased the principal value of agricultural lands situate therein.

In this connection, section 35(3) makes a concession by way of rebate—

“Where any property passing on the death of any person consists wholly or in part of agricultural land, and the principal value of the estate does not exceed Rs. 2,00,000, there shall be allowed by way of rebate—

- (a) in the case of an estate which consists wholly of agricultural land, a sum representing one-fourth of the estate duty payable; and
- (b) in the case of an estate which consists in part only of agricultural land, a sum representing one-fourth of the estate duty payable on that part of the estate which consists of agricultural land, the duty on such part being a sum which bears to the total amount of estate duty the same proportion as the value of the agricultural land bears to the value of the estate.

Allowance for quick succession to property [Section 31] :

Where the Board is satisfied that estate duty has become payable on any property passing upon the death of any person, and that subsequently within five years estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom the property passed on the first death, the amount of estate duty payable on the second death in respect of the property so passing shall be reduced as under :—

<i>Where the second death</i>	:	<i>reduction will be by—</i>
<i>occurs within—year/years of the first</i>	:	<i>per cent. of the duty ordinarily leviable</i>
—one year		—50 per cent.
—two years		—40 per cent.
—three years		—30 per cent.
—four years		—20 per cent.
—five years		—10 per cent.

The proviso to sec. 31 excepts out a case where the value of the dutiable property on the second death exceeds the value of the property on the first death. In such circumstances, for the purpose of calculating the percentage relief, the lesser value shall be taken as the basis.

If the second death occurs within a period of three months of the first death in respect of whose property estate duty has become payable, it shall be treated as one death and no estate duty shall again be payable on the same property by reason of the subsequent death occurring within the said period of three months.

Principal value how to be estimated [Section 36] :

- (1) The principal value of any property shall be estimated to be the price which, in the opinion of the Controller, it would fetch if sold in the open market at the time of the deceased's death.
- (2) In estimating the principal value under this section the Controller shall fix the price of the property according to the market price at the time of the deceased's death and shall not make any reduction in the estimate on account of the estimate being made on the assumption that the whole property is to be placed on the market at one and the same time :

Provided that where it is proved to the satisfaction of the Controller that the value of the property has depreciated by reason of the death of the deceased, the depreciation shall be taken into account in fixing the price.

Submission of return [s. 53(3)] :

Every person accountable for estate duty under this section shall, within six months of the death of the deceased, deliver to the Controller an account in the prescribed form and verified in the prescribed manner of all the properties in respect of which estate duty is payable. The Controller may extend the period of six months on such terms including the payment of interest, as may be prescribed [Refer rules 20, 20A, 21, 22, and 25 of the Estate Duty Rules, 1953].

Time limit for commencing proceedings for assessment or re-assessment :

Under section 73-A of the Estate Duty Act, 1953 the time limit for commencing proceedings in the case of a first assessment is five years from the date of death of the deceased and for the purpose of re-assessment under s. 59 is three years from the date of assessment of such property to estate duty.

Penalty for non-filing and late filing of returns [s. 60(1) (a)] :

If the Controller, the Appellate Controller or the Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person has without reasonable cause failed to deliver the account of the property of the deceased under sec. 53 or sec. 56 or to comply with any requisition of the Controller under sec. 55 or sec. 59 or has without reasonable cause failed to deliver or submit any of the accounts or statements required under any of

the sections aforesaid within the time allowed and in the manner required, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of estate duty payable by him, a sum not exceeding twice the amount of such duty.

Penalty for non-compliance of notice under s. 58(2) [s. 60(1) (b)] :

If the Controller, the Appellate Controller or the Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person has without reasonable cause failed to comply with a notice under sub-sec. (2) of sec. 58, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of estate duty payable by him, a sum not exceeding twice the amount of the estate duty, if any, which would have been avoided if the principal value shown in the account of such person had been accepted as correct.

Penalty for concealment or furnishing inaccurate particulars [Section 60(1) (c)] :

If the Controller, the Appellate Controller or the Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that any person has concealed the particulars of the property of the deceased or deliberately furnished inaccurate particulars thereof, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of estate duty payable by him, a sum not exceeding twice the amount of the estate duty, if any, which would have been avoided if the principal value shown in the account of such person had been accepted as correct.

Penalty for failure to pay estate duty within the specified time by a section 20-A company [Section 60(1)(d)] :

If the Controller, the Appellate Controller, or the Appellate Tribunal, in the course of any proceedings under this Act, is satisfied that a company, referred to in sec. 20-A has without reasonable cause failed to pay the amount of estate duty due from it under that section within the time specified in this behalf, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of estate duty payable by it, a sum not exceeding twice the amount of such duty.

Rectification of Mistakes [section 61] :

The Controller, the Appellate Controller or Appellate Tribunal may, on his or its own motion rectify any mistake apparent from the records at any time within five years from the date of any order passed by him or it and shall, within a like period, rectify any such mistake which has been brought to their notice by the accountable person.

Certificate of payment of estate duty [section 67] :

Where the amount of estate duty determined by the Controller as payable on an assessment made under section 58 has been paid by the person accountable, the Controller shall, on application by that person, grant to him a certificate to that effect.

Postponement of estate duty [section 70] :

Under sec. 70(1), where the Controller is satisfied that the estate duty leviable in respect of any property cannot, without excessive sacrifice, be raised at once, he may allow payment to be postponed for such period, to such extent, and on payment of such interest not exceeding four per cent. or any higher interest yielded by the property, and on such other terms as he may think fit. Under sec. 70(2), the estate duty in respect of immoveable property may, at the option of the accountable person, be paid in four equal yearly instalments or in eight equal half yearly instalments with interest at the rate of four per cent. per annum or any higher interest yielded by the property from the date on which the first instalment is payable and the interest on the unpaid portion of the duty shall be added to each instalment and paid accordingly; but the duty for the time being unpaid with such interest to the date of payment may be paid at any time and in case where the property is sold, shall be paid on the completion of the sale and if not so paid, shall be recovered in the manner specified in sec. 73.

RATES OF ESTATE DUTY

PART I

In the case of any property which passes or is deemed to pass on the death of the deceased

		Rate of duty
(1) On the first Rs.	50,000 of the principal value of the estate	nil;
(2) On the next Rs.	50,000 of the principal value of the estate (50,001 to 1,00,000)	4%
(3) On the next Rs.	1,00,000 of the principal value of the estate (1,00,001 to 2,00,000)	10%
(4) On the next Rs.	1,50,000 of the principal value of the estate (2,00,001 to 3,50,000)	15%
(5) On the next Rs.	1,50,000 of the principal value of the estate (3,50,001 to 5,00,000)	25%
(6) On the next Rs.	5,00,000 of the principal value of the estate (5,00,001 to 10,00,000)	30%
(7) On the next Rs.	5,00,000 of the principal value of the estate (10,00,001 to 15,00,000)	40%
(8) On the next Rs.	5,00,000 of the principal value of the estate (15,00,001 to 20,00,000)	50%
(9) On the balance of the principal value of the estate		85%

Note : The Finance minister in his budget speech on 28-2-78 announced that the government will bring out a legislation after getting the consent from the State Government for enhancing the exemption limit of estate duty from Rs. 50,000 to Rs. 1,00,000.

PART II

In the case of shares or debentures held by the deceased in any such company as is referred to in sec. 20-A of the Estate Duty Act, 1953—

- | | |
|--|----------------------|
| (1) if the principal value of the shares or debentures does not exceed Rs. 5,000 | Rates of duty
nil |
| (2) if the principal value of the shares or debenture exceeds Rs. 5,000 | 7½% |

Example : Mr. X domiciled in India died on 1st February, 1974 leaving behind the following estate, debts etc.

Assets	Principal value	Aggregable as well as dutiable	Aggregable but not dutiable	Non aggregable	As Per section
1	2	3	4	5	6
(I) Immovable properties—					
(1) Agricultural lands in Bihar	50,000	50,000	—	—	5(1)
(2) Agricultural lands in West Bengal	52,500	—	52,500	—	34(1)(b) 34(2) Expl. (ii)
(3) House at Calcutta (residential)	1,20,000	20,000	—	1,00,000	33(1)(n)
(4) House at Delhi (let out)	2,00,000	2,00,000	—	—	5(1)
(5) House at London	1,00,000	—	—	1,00,000	21(1)(a)
(II) Mov able properties—					
(6) Bank balances at Calcutta	7,000	7,000	—	—	5(1)
(7) Joint (with wife) bank A/c at London	5,000	5,000	—	—	21(1)(b) & 13
(8) Own life insurance policy	50,000	45,000	5,000	—	33(1)(h)
(9) Indian Govt. securities	20,000	20,000	—	—	5(1)
(10) Life policy taken for payment of estate duty	80,000	30,000	50,000	—	33(1)(f)
(11) National Defence Gold Bonds 1980 (50 kgs. purchased by X)	3,00,000	—	—	3,00,000	33(1)(p)
(12) Policy earmarked for daughter's marriage	25,000	15,000	10,000	—	33(1)(k)
(13) Policy under the married Women's Property Act	1,00,000	—	—	1,00,000	separate estate 34(3)
(14) Household goods at Calcutta	6,000	3,500	—	2,500	33(1)(c)
(15) Jewellery	50,000	50,000	—	—	5(1)
(III) Mitakshara Joint Family (self, wife, 2 sons and a daughter)	6,00,000	1,50,000	3,00,000	1,50,000	34(1)(c)
	<u>17,65,500</u>	<u>5,95,500</u>	<u>4,17,500</u>	<u>7,52,500</u>	

For ascertaining the rate applicable, estate mentioned in columns (3) & (4) is to be added,

i.e., Rs. 5,95,500 + 4,17,500

= Rs. 10,13,000

Estate duty on Rs. 10,13,000

= Rs. 2,27,200

Average Rate $\frac{2,27,200 \times 100}{10,13,000}$

= 22.428%

(A) Duty on estate of Rs. 5,95,500 (at the average of 22.428%) = Rs. 1,33,561.30

(B) Duty on separate estate Rs. 1,00,000 (policy under the Married Women's Property Act) = Rs. 2,000.00

Total duty payable Rs. 1,33,561.30 + Rs. 2,000 = Rs. 1,35,561.30

Total duty rounded off = Rs. 1,35,561.00

Note : No rebate u/s 35(3)(b) is allowable in respect of agricultural land in Bihar because the principal value of the estate as a whole exceeds Rs. 2,00,000.

ESTATE DUTY TABLE

Where value of Estate is between Rs. 50,000 & Rs. 5,00,000.

VALUE OF ESTATE LEFT Between Rs. 50000 & Rs. 100000 @ 4%		VALUE OF ESTATE LEFT Between Rs. 100000 & Rs. 200000 @ 10%		VALUE OF ESTATE LEFT Between Rs. 200000 & Rs. 350000 @ 15%		VALUE OF ESTATE LEFT Between Rs. 350000 & Rs. 500000 @ 25%	
Principal Value of Estate Left Rs.	Estate Duty Rs.	Principal Value of Estate Left Rs.	Estate Duty Rs.	Principal Value of Estate Left Rs.	Estate Duty Rs.	Principal Value of Estate Left Rs.	Estate Duty Rs.
100	4	100	10	100	15	100	25
200	8	200	20	200	30	200	50
300	12	300	30	300	45	300	75
400	16	400	40	400	60	400	100
500	20	500	50	500	75	500	125
600	24	600	60	600	90	600	150
700	28	700	70	700	105	700	175
800	32	800	80	800	120	800	200
900	36	900	90	900	135	900	225
1000	40	1000	100	1000	150	1000	250
2000	80	2000	200	2000	300	2000	500
		3000	300	3000	450	3000	750
		4000	400	4000	600	4000	1000
				5000	750	5000	1250
				6000	900	6000	1500
				7000	1050	7000	1750
50000	—	100000	2000	200000	12000	350000	34500
52500	100	105000	2500	207500	13125	357500	37375
55000	200	110000	3000	215000	14250	365000	38250
57500	300	115000	3500	222500	15375	372500	40125
60000	400	120000	4000	230000	16500	380000	42000
62500	500	125000	4500	237500	17625	387500	43875
65000	600	130000	5000	245000	18750	395000	45750
67500	700	135000	5500	252500	19875	402500	47625
70000	800	140000	6000	260000	21000	410000	49500
72500	900	145000	6500	267500	22125	417500	51375
75000	1000	150000	7000	275000	23250	425000	53250
77500	1100	155000	7500	282500	24375	432500	55125
80000	1200	160000	8000	290000	25500	440000	57000
82500	1300	165000	8500	297500	26625	447500	58875
85000	1400	170000	9000	305000	27750	455000	60750
87500	1500	175000	9500	312500	28875	462500	62625
90000	1600	180000	10000	320000	30000	470000	64500
92500	1700	185000	10500	327500	31125	477500	66375
95000	1800	190000	11000	335000	32250	485000	68250
97500	1900	195000	11500	342500	33375	492500	70125
100000	2000	200000	12000	350000	34500	500000	72000

ESTATE DUTY TABLE

Where value of Estate is between Rs. 5,00,000 & Rs. 30,00,000.

VALUE OF ESTATE LEFT Between Rs. 500000 & Rs. 1000000 @ 30%		VALUE OF ESTATE LEFT Between Rs. 1000000 & Rs. 1500000 @ 40%		VALUE OF ESTATE LEFT Between Rs. 1500000 & Rs. 2000000 @ 50%		VALUE OF ESTATE LEFT Between Rs. 2000000 & Rs. 3000000 @ 65%	
Principal Value of Estate Left	Estate Duty	Principal Value of Estate Left	Estate Duty	Principal Value of Estate Left	Estate Duty	Principal Value of Estate Left	Estate Duty
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
100	30	100	40	100	50	100	85
200	60	200	80	200	100	200	170
300	90	300	120	300	150	300	255
400	120	400	160	400	200	400	340
500	150	500	200	500	250	500	425
600	180	600	240	600	300	600	510
700	210	700	280	700	350	700	595
800	240	800	320	800	400	800	680
900	270	900	360	900	450	900	765
1000	300	1000	400	1000	500	1000	850
2000	600	2000	800	2000	1000	2000	1700
3000	900	3000	1200	3000	1500	3000	2550
4000	1200	4000	1600	4000	2000	4000	3400
5000	1500	5000	2000	5000	2500	5000	4250
6000	1800	6000	2400	6000	3000	6000	5100
7000	2100	7000	2800	7000	3500	7000	5950
8000	2400	8000	3200	8000	4000	8000	6800
9000	2700	9000	3600	9000	4500	9000	7650
10000	3000	10000	4000	10000	5000	10000	8500
20000	6000	20000	8000	20000	10000	20000	17000
						30000	25500
						40000	34000
500000	72000	1000000	222000	1500000	422000	2000000	672000
525000	79500	1025000	232000	1525000	434500	2050000	714500
550000	87000	1050000	242000	1550000	447000	2100000	757000
575000	94500	1075000	252000	1575000	459500	2150000	799500
600000	102000	1100000	262000	1600000	472000	2200000	842000
625000	109500	1125000	272000	1625000	484500	2250000	884500
650000	117000	1150000	282000	1650000	497000	2300000	927000
675000	124500	1175000	292000	1675000	509500	2350000	969500
700000	132000	1200000	302000	1700000	522000	2400000	1012000
725000	139500	1225000	312000	1725000	534500	2450000	1054500
750000	147000	1250000	322000	1750000	547000	2500000	1097000
775000	154500	1275000	332000	1775000	559500	2550000	1139500
800000	162000	1300000	342000	1800000	572000	2600000	1182000
825000	169500	1325000	352000	1825000	584500	2650000	1224500
850000	177000	1350000	362000	1850000	597000	2700000	1267000
875000	184500	1375000	372000	1875000	609500	2750000	1309500
900000	192000	1400000	382000	1900000	622000	2800000	1352000
925000	199500	1425000	392000	1925000	634500	2850000	1394500
950000	207000	1450000	402000	1950000	647000	2900000	1437000
975000	214500	1475000	412000	1975000	659500	2950000	1479500
1000000	222000	1500000	422000	2000000	672000	3000000	1522000

WEALTH-TAX

SALIENT FEATURES

Date of enforcement :

The Wealth-tax Act, 1957 came into force on 1st April, 1957. It occupies a very important place in the scheme of taxation.

Persons chargeable to wealth-tax :

Under section 3 of the Wealth-tax Act, the following persons are chargeable to wealth-tax in respect of their net wealth on the valuation date corresponding to the assessment year :—

- (1) Individual;
- (2) Hindu undivided family; and
- (3) Company.

By virtue of section 13 of the Finance Act, 1960, companies have been exempted from the charge of wealth-tax with effect from assessment year 1960-61. Thus, now wealth-tax is payable by individuals and Hindu undivided families.

The word "individual" has not been defined in the Wealth-tax Act but on the basis of judicial pronouncements, "Individual" means not only a human being but also includes a group of persons forming a unit, i.e., (i) statutory corporations, (ii) a body of trustees, and (iii) trustees of clubs etc.

Definition of "Net Wealth" :

Under section 2(m) of the Wealth-tax Act, "Net-wealth" means the amount by which the aggregate value computed in accordance with the provisions of this Act of all the assets, wherever located, belonging to the assessee on the valuation date, including assets required to be included in his net wealth as on that date under this Act, is in excess of the aggregate value of all the debts owed by the assessee on the valuation date other than—

- (i) debts which under section 6 are not to be taken into account;
- (ii) debts which are secured on, or which have been incurred in relation to any property in respect of which wealth-tax is not chargeable under this Act; and
- (iii) the amount of tax, penalty or interest payable in consequence of any order passed under or in pursuance of this Act or any law relating to taxation of income or profits, or the Estate Duty Act, 1953, the Expenditure-tax Act, 1957 or the Gift-tax Act, 1958,—
 - (a) which is outstanding on the valuation date and is claimed by the assessee in appeal, revision or other proceeding as not being payable by him, or
 - (b) which although not claimed by the assessee as not being payable by him, is nevertheless outstanding for a period of more than twelve months on the valuation date.

"Assets" defined :

According to section 2(e) of the Wealth-tax Act, "assets" includes property of every description, movable or immovable, but does not include—

- (1) animals;
- (2) a right to any annuity (not being an annuity purchased by the assessee or purchased by any other person in pursuance of a contract with the assessee) in any case where the terms and conditions relating thereto preclude the commutation of any portion thereof into a lump sum grant;
- (3) any interest in property where the interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee :

Provided that in relation to the State of Jammu and Kashmir, the following items will also be excluded from the term "assets"—

- (i) agricultural land and growing crops, grass or standing trees on such land;
- (ii) any building owned or occupied by a cultivator of, or receiver of rent or revenue out of agricultural land :

Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an out-house.

Deemed assets :

The following assets though held by others are deemed to belong to the individual and the value of such assets is to be included in the net wealth of the assessee :—

- (i) assets held by the spouse of the individual to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration or in connection with an agreement to live apart [s. 4(1)(a)(i)]; or
- (ii) assets held by a minor child (not being a married daughter) of the individual to whom such assets have been transferred by the individual, directly or indirectly otherwise than for adequate consideration [s. 4(1)(a)(ii)]; or
- (iii) assets held by a person or association of persons to whom such assets have been transferred by the individual directly or indirectly otherwise than for adequate consideration for the immediate or deferred benefit of the individual, his or her spouse or minor child (not being a married daughter) or both [s. (1)(a)(iii)]; or
- (iv) assets held by a person or association of persons to whom such assets have been transferred by the individual otherwise than under an irrevocable transfer [s. 4(1)(a)(iv)]; or
- (v) assets held by the son's wife, or the son's minor child, of such individual, to whom such assets have been transferred by the individual, directly or indirectly, on or after the 1st day of June, 1973, otherwise than for adequate consideration [s. 4(1)(a)(v)]; or

From the assessment year 1976-77 and onwards "Child" in relation to an individual includes a step child and adopted child of that individual [clause (aa) of the Explanation to section 4].

- (vi) assets, being separate property of the individual, converted into property belonging to the Hindu undivided family after the 31st December, 1969 [s. 4(1A)(b)];
- (vii) assets being separate property of the individual, converted into the property belonging to the Hindu undivided family after 31st December, 1969, to the extent of interest of such individual, spouse or any minor child if such converted property has been partitioned [s. 4(1A)(c)]; or
- (viii) the gifted money if made by one person to another by means of entries in the books of account maintained by the person making the gift or by an individual or a Hindu-undivided family or a firm or an association of persons or body of individuals with whom or which he has business or other relationship, unless he proves to the satisfaction of the Wealth-tax Officer that the money has actually been delivered to the other person at the time the entries were made [s. 4(5A)]; or
- (ix) any building or part thereof allotted or leased by a co-operative housing society to the assessee as a member thereof, the value whereof will be determined after allowing deduction in respect of the value of any outstanding instalments payable by the assessee to the society being the cost of such building or part thereof [s. 4(7)].

- Notes—(1) It is not necessary that the transferred assets should be held by the transferee on the valuation date in the same form in which they were transferred. For example, if an individual transfers cash to his wife which she used before the Valuation date for purchasing a house, it would be the value of the house so acquired which would be includible in the net wealth of individual and not the cash originally transferred.
- (2) Under the proviso to section 4(1)(a), where the transfer of any assets during the assessment years 1964-65 to 1971-72 by the individual is by way of gift which is chargeable under the Gift-tax Act, 1958 or is exempt under section 5 of that Act, then the value of such assets will not be included in the net wealth of the individual in his assessment despite the provisions of section 4(1)(a). However, under section 4(1)(a) the value of the assets transferred thereafter by way of gift is to be included in the net wealth, of the individual for and from assessment year 1972-73.
- (3) Where the transfer of any assets is made by an individual before 1st April, 1956 (i.e., before the commencement of Wealth-tax Act), the value of such assets is not to be taken into account for the purpose of computation of his net wealth [s. 4(4)].

- (4) Where the value of any assets is to be included in the net wealth of an assessee by virtue of section 4(1)(a), deduction will be allowed from such value in respect of any debts owing on the valuation date by the transferee in so far as such debts are referable to such transferred assets [s. 4(3)(a)].
- (5) The provisions of section 5 of the Wealth-tax Act, relating to exemptions in respect of certain assets, will also apply in relation to deemed assets which though not belonging to the assessee, are included in the net wealth of the assessee under section 4 of the Act as if such assets were assets belonging to the assessee [s. 4(3)(b)].
- (6) The expression "irrevocable transfer" as defined in clause (b) of the *Explanation* to sub-section 7 of section 4 means a transfer of assets which, by the terms of instrument effecting it, is not revocable for a period exceeding six years or during the life time of the transferee and under which the transferor derives no direct or indirect benefit.

"Debts" defined :

A debt is a sum of money which is now payable or will become payable in future by reason of a present obligation. The obligation must have accrued and must be subsisting. The essential requisite of a debt is that it should be an ascertained or readily calculable amount.

Debts which are not deductible :

- (i) Under section 6(i), debts located outside India shall not be taken into account in the following cases :—
 - (a) in the case of an individual who is not a citizen of India;
 - (b) in the case of an individual or Hindu undivided family who is "not resident" in India or who is "resident but not ordinarily resident" in India.
- (ii) Debts secured on or incurred in relation to exempted assets [s. 2(m)(ii)].
- (iii) Tax, penalty or interest payable under the Income-tax Act, Gift-tax Act or Wealth-tax Act which is outstanding on the valuation date and is disputed in appeal, revision or other proceedings as not being payable by him, or which is outstanding on the valuation date for a period of more than twelve months [s. 2(m)(iii)].

Deduction of Wealth-tax :

The liability to pay wealth-tax by an assessee, for every assessment year beginning on April 1 following, is a debt owed within the meaning of section 2(m) of the Wealth-tax Act and, therefore, is deductible from the estimated value of the assets as on the valuation date. The said view was held by the Hon'ble Supreme Court in the case of *H.H. Setu Parvati Bai Vs. Commissioner of Wealth-tax*—(1968) 69 I.T.R. 864. The formula for arriving at deductible wealth-tax is given hereunder :—

$$\text{Deductible tax} = \frac{(\text{Taxable net wealth}) \times (\text{Rate of tax applicable})}{100 + \text{Rate of tax applicable}}$$

In the succeeding wealth-tax tables, tax liability has been calculated on the basis of above-said formula.

Valuation date :

Under section 2(q) of the Wealth-tax Act, "valuation date" in relation to any year for which an assessment is to be made under this Act, means the last day of the previous year as defined in section 3 of the Income-tax Act, if an assessment were to be made under that Act for that year :

Provided that—

- (i) where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the valuation date for the purposes of this Act shall be the last day of the last of the previous years afore-said
- (ii) in the case of a person who is not an assessee within the meaning of the Income-tax Act, the valuation date for the purposes of this Act shall be the 31st day of March immediately preceding the assessment year;
- (iii) where an assessment is made in pursuance of section 19A, the valuation date shall be the same valuation date as would have been adopted in respect of the net wealth of the deceased if he were alive.

Exemptions under the Wealth-tax Act (Section 5)

(For assessment years 1978-79 and 1979-80)

Section 5 (1) enacts that, subject to the provisions of sub-section (1A), wealth-tax shall not be payable by an assessee in respect of the following assets, and such assets shall not be included in the net wealth of the assessee—

- (i) any property held by him under trust or other legal obligation for any public purpose of a charitable or religious nature in India;
- (ii) the interest of the assessee in the coparcenary property of any Hindu undivided family of which he is a member;
- (iii) any one building in the occupation of a Ruler, being a building which immediately before the commencement of the Constitution (Twenty-sixth Amendment) Act, 1971, was his official residence by virtue of a declaration by the Central Government under paragraph 13 of the Merged States (Taxation Concessions) Order, 1949, or paragraph 15 of the Part B States (Taxation Concessions) Order, 1950;
- (iv) one house or part of a house belonging to the assessee, provided that where the value of such house or part exceeds one hundred thousand rupees, the amount that shall not be included in the net wealth of the assessee under this clause shall be one hundred thousand rupees;

Note—The Board has notified [through circular No. F. 317/32/73 W. T. 24/7/73] that exemption for house will be available even for commercial houses the income in respect of which is assessable under section 22 of the Income-tax Act, viz; income from house property.

- (iva) agricultural land belonging to the assessee; [Read with s. 5(1A)]
- (ivb) one building or one group of buildings owned by a cultivator of, or receiver of rent or revenue out of, agricultural land:

Provided that such building or group of buildings is on or in the immediate vicinity of the land and is required by the cultivator or the receiver of rent or revenue, by reason of his connection with the land, as store-house or for keeping live-stock;

- (ivc) one or more dwelling units (each such dwelling unit having a plinth area not exceeding eighty square metres) and the land appurtenant thereto, belonging to the assessee, where the construction of such dwelling unit or units is begun on or after the 1st day of April, 1976:

Provided that this exemption shall apply in respect of any dwelling unit or units and the land appurtenant thereto only for a period of five successive assessment years next following the date on which the construction of such dwelling unit or units is completed.

Explanation—For the purposes of this clause,—

- (a) "dwelling unit" means a unit of accommodation used solely for the purpose of residence;
- (b) "land appurtenant", in relation to any dwelling unit or units comprising a building, means,—
 - (i) in an area where there is any law in force providing for the minimum extent of land contiguous to the land occupied by any building to be kept as open space for the enjoyment of such building, the minimum extent of land contiguous to the land occupied by the building comprising such dwelling unit or units required to be kept as open space under such law;
 - (ii) in any other area, an extent of land not exceeding one-third of the plinth area of the building comprising the dwelling unit or units at the ground level contiguous to the land occupied by such building; (effective from assessment year 1977-78)
- (v) the rights under any patent or copyright belonging to the assessee:

Provided that they are held by him in his own right as the inventor or author of such patent or copyright, as the case may be, and have not been assigned to, or acquired by him under a contract or by way of inheritance or otherwise (effective from assessment year 1976-77)
- (vi) the right or interest of the assessee in any policy of insurance before the moneys covered by the policies become due and payable to the assessee:

Provided that in the case of a policy of insurance the premium or other payment whereon is payable during a period of less than ten years, the amount that shall not be included in the net wealth of the assessee under this clause shall be a sum that bears to the value of the right or interest of the assessee in the policy the same proportion as the number of years during which the premium or other payment on the policy is payable bears to ten;

- (vi-a) the right of the assessee to receive any annuity payable by the Central Government under the provisions of sec. 280-D of the Income-tax Act;
- (vii) the right of the assessee to receive a pension or other life annuity in respect of past services under an employer;
- (viii) furniture, household utensils, wearing apparel, provisions and other articles intended for the personal or household use of the assessee but not including jewellery :

Provided that the furniture, utensils or other articles are neither made wholly or partly of, nor contain (whether by way of embedding, covering or otherwise), gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals :

Provided further that nothing in this clause shall operate to exclude from the net wealth of the assessee any conveyance or conveyances to the extent the value or the aggregate value thereof exceeds the sum of thirty thousand rupees

Explanation 1.—For the purposes of this clause and clause (xiii), “jewellery” includes—

- (a) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;
- (b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article, or worked or sewn into any wearing apparel.

Explanation 2.—For the purposes of this clause, “conveyance” means any motor car or other mechanically propelled vehicle, aircraft or boat;

- (viii-a) growing crops (including fruits on trees) on agricultural land and grass on such land;
- (viii-b) trees standing on agricultural land, not being trees in an orchard or a plantation;
- (ix) the tools, implements and equipment used by the assessee for the cultivation, conservation, improvement or maintenance of agricultural land, or for the raising or harvesting of any agricultural or horticultural produce on such land.

Explanation. —For the purposes of this clause, tools, implements and equipment do not include any plant or machinery used in any tea or other plantation in connection with the processing of any agricultural produce or in the manufacture of any article from such produce;

- (x) the tools and instruments necessary to enable the assessee to carry on his profession or vocation, subject to a maximum of twenty thousand rupees in value;
- (x-a) the amount of any fee due to the assessee in respect of services rendered by him as a legal practitioner within the meaning of the Advocates Act, 1961; (*effective from assessment year 1975-76*)
- (xi) instruments and other apparatus used by the assessee for purposes of scientific research;
- (xii) any works of art, archaeological, scientific or art collections, books or manuscripts belonging to the assessee and not intended for sale;
- (xiii) any drawings, paintings, photographs, prints and any other heirloom not falling within clause (xii) and not intended for sale, but not including jewellery;

Note. —For the definition of ‘jewellery’, refer Explanation 1 under clause (viii) above.

- (xiv) jewellery in the possession of any Ruler, not being his personal property, which has been recognised before the commencement of this Act, by the Central Government as his heirloom or, where no such recognition exists, which the Board may, subject to any rules that may be made by the Central Government in this behalf, recognise as his heirloom at the time of his first assessment to wealth-tax under this Act :

Provided that in the case of jewellery recognised by the Central Government as aforesaid, such recognition shall be subject to the following conditions, namely—

- (i) that the jewellery shall be permanently kept in India and shall not be removed outside India except for a purpose and period approved by the Board;
- (ii) that reasonable steps shall be taken for keeping the jewellery substantially in its original shape;
- (iii) that reasonable facilities shall be allowed to any officer of Government authorised by the Board in this behalf to examine the jewellery as and when necessary; and
- (iv) that if any of the conditions hereinbefore specified is not being duly fulfilled, the Board may, for reasons to be recorded in writing, withdraw the recognition retrospectively with effect from the date of commencement of clause (b) of section 5 of the Rulers of Indian States (Abolition of Privileges) Act, 1972, and in such a case, wealth-tax shall become payable by the Ruler for all the assessment years after such commencement for which the jewellery was exempted on account of the recognition.

Explanation.—For the purposes of clause (iv) of the foregoing proviso, the fair market value of any jewellery on the date of the withdrawal of the recognition in respect thereof shall be deemed to be the fair market value of such jewellery on each successive valuation date relevant for the assessment years referred to in the said proviso :

Provided further that the aggregate amount of wealth-tax payable in respect of any jewellery under clause (iv) of the foregoing proviso for all the assessment years referred to therein shall not in any case exceed fifty per cent. of its fair market value on the valuation date relevant for the assessment year in which recognition was withdrawn;

- (xv) deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette, to the extent to which the amounts of such deposits do not exceed the maximum amount permitted to be deposited therein; *[(Read with ss-5 (1-A), 5(2) and 5(3))]*

NOTE : The Central Government has notified the following schemes under this clause. (S. O. 2064 dt. 4.6.1968 and S. O. 2882 dt. 1.9.1970)

- (a) any scheme of fixed deposits governed by the Government Savings Certificates (Fixed Deposits) Rules, 1968;
- (b) any scheme of fixed deposits governed by the Post Office (Fixed Deposits Rules, 1968).
- (c) any scheme of Post Office (Time Deposits) governed by the Post Office (Time Deposits) Rules, 1970;
- (d) any scheme of Post Office (Recurring Deposits) governed by the Post Office (Recurring Deposits) Rules, 1970.

- (xvi) ten-year treasury savings deposit certificates, fifteen-year annuity certificates, deposits in post office savings banks, post office cash certificates, post office national savings certificates, post office national plan certificates and twelve-year national plan savings certificates, ten-year defence deposit certificates and twelve-year national defence certificates to the extent to which the amount of such certificates or deposits do not exceed in each case the maximum amount permitted to be invested or deposited therein; *[(Read with ss. 5(1-A) 5(2) and 5(3))]*

- (xvi-a) 6½ per cent. Gold Bonds, 1977, 7 per cent. Gold Bonds, 1980 and National Defence Gold Bonds, 1980; *[(Read with s. 5(2))]*

- (xvii) the amount standing to the credit of an assessee, being a salaried employee, in any provident fund maintained by his employer to which the Provident Funds Act, 1925 (19 of 1925) applies or which is a recognised provident fund within the meaning

- (xvii-a) the amount standing to the credit of an individual in any provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette;

NOTE : the Central Government has notified (vide notification no. 2432 dt. 2.7.1968) Public Provident Funds established under the Public Provident Funds Scheme, 1968 as a provident fund to which the said clause shall apply.

- (xvii-b) any property held by the trustees on behalf of any provident fund to which the Provident Funds Act, 1925 applies, or which is a recognised provident fund within the meaning of clause (38) of section 2 of the Income-tax Act;

- (xvii-c) any property held by the trustees on behalf of any gratuity fund which is an approved gratuity fund within the meaning of clause (5) of section 2 of the Income-tax Act;

- (xvii-d) any property held by the trustees on behalf of any superannuation fund which is an approved superannuation fund within the meaning of clause (6) of section 2 of the Income-tax Act;

- (xviii) the property received by an assessee from Government in pursuance of any gallantry or merit award instituted or approved by the Central Government;

- (xix) the value of any shares held by the assessee in any other company in any case where the assessee is company; *[Read with s. 5(3)]*

- (xx) the value of any equity shares in any company of the type referred to in clause (d) of section 45, where such shares form part of the initial issue of equity share capital made by the company after the 31st day of March, 1964 but before the 1st day of June, 1971, for a period of five successive assessment years commencing with the assessment year next following the date on which such company commences the operations for which it has been established;

- (xx-a) the value of any equity shares in any company of the type referred to in clause (d) of section 45 which is established with the main object of carrying on the business of manufacture or production of any one or more of the articles or things specified in the list in the Ninth Schedule to the income-tax Act, where such shares form part of the initial issue of equity share capital made by the company after the 28th day of February, 1975, for a period of five successive assessment years commencing with the assessment year next following the date on which such shares were first issued; *[Read with s. 5(3)]*

- (xxi) that portion of the net wealth of a company established with the object of carrying on an industrial undertaking in India within the meaning of the *Explanation* to clause (d) of section 45, as is employed by it in a new and separate unit set up after the commencement of this Act by way of substantial expansion of its undertaking ;

Provided that—

(a) separate accounts are maintained in respect of such unit; and

(b) the conditions specified in clause (d) of section 45 are complied with in relation to the establishment of such unit :

Provided further that this exemption shall apply to any such company only for a period of five successive assessment years commencing with the assessment year next following the date on which the company commences operations for the establishment of such unit;

- (xxii) any security of the Central Government or a State Government not being a security referred to in clause (xvi) or clause (xvi-a) *[Read with ss. 5(1-A) and 5(3)]*;

- (xxiii) any shares not being shares referred to in clause (xx) or clause (xxa) held by the assessee in any Indian company where the assessee is an individual or a Hindu undivided family; *[Read with ss. 5(1A) and 5(3)]*;

- (xxiv) such debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf; *[Read with ss. 5(1-A) and 5(3)]*;

- (xxv) units in the Unit Trust of India established under the Unit Trust of India Act, 1963; *[Read with ss. 5(1-A) and 5(3)]*;

Note—Under Unit Trust of India Act, the Government has allowed a further independent deduction of Rs. 25,000 from gross wealth of Unit Trust in addition to the existing exemption of Rs. 1,50,000 - S.R. 8,1(xv) of the Wealth-tax Act, 1957 effective from the assessment year 1973-74.

- (xxvi) any deposits with a banking company to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act) or with a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank). [Read with ss. 5(1-A) and 5(3).]
- (xxvii) any deposits with a financial corporation which is engaged in providing long-term finance for industrial development in India and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36 of the Income-tax Act. [Read with ss. 5(1-A) and 5(3).]
- (xxviii) any shares in any co-operative society. [Read with ss. 5(1-A) and 5(3).]
- (xxix) any deposits with a co-operative society, not being deposits referred to in clause (xxvi) or clause (xxx), made by a member of the society. [Read with ss. 5(1-A) and 5(3).]
- (xxx) any deposits with a co-operative housing society made by a member of the society to whom a building or part thereof is allotted or leased under a housing building scheme of the society where such deposits have been made under such scheme:
- (xxx a) the value of any building belonging to the assessee, where the building is used solely for the purpose of residence of persons employed by the assessee in a plantation or industrial undertaking belonging to the assessee and the income of each such person chargeable under the head "Salaries" under the Income-tax Act is ten thousand rupees or less; [effective from A.Y. 1976-77];
- (xxx i) the value, as determined in the prescribed manner, of assets (not being any land or building or any rights in any land or building or any assets referred to in any other clause of this sub-section) forming part of an industrial undertaking belonging to the assessee. [Read with s. 5(1-A).]

Explanation—For the purposes of clause (xxx-a), this clause, clause (xxxii), clause (xxxiv), the term "industrial undertaking" means an undertaking engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

- (xxxii) the value, as determined in the prescribed manner, of the interest of the assessee in the assets (not being any land or building or any rights in any land or building or any assets referred to in any other clause of this sub-section) forming part of an industrial undertaking belonging to a firm or an association of persons of which the assessee is a partner or, as the case may be, a member. [Read with s. 5(1-A).]
- (xxxiii) in the case of an assessee being a person of Indian origin who was ordinarily residing in a foreign country and who, on leaving such country, has returned to India with the intention of permanently residing therein, moneys and the value of assets brought by him into India and the value of the assets acquired by him out of such moneys:

Provided that this exemption shall apply only for a period of seven successive assessment years commencing with the assessment year next following the date on which such person returned to India.

Explanation—A person shall be deemed to be of Indian origin, if he, or either of his parents or any of his grand-parents, was born in undivided India [effective from assessment year 1977-78].

- (xxxiv) in the case of an individual, being a citizen of India, who is not resident in India during the year ending on the valuation date, the value of any equity shares in a company of the type referred to in clause (d) of section 45 which is engaged in the business of manufacture or production of any one or more of the articles or things specified in Schedule II or which is certified by the prescribed authority to

undertaken the export of such percentage of its total production as may be specified in this behalf, by the prescribed authority, where such shares form part of the initial issue of the equity share capital made by the company after the 31st day of March, 1976 or where such shares form part of an issue of equity share capital which is certified by the prescribed authority to have been made by the company after the 31st day of March, 1976 for the purposes of expansion or diversification of its industrial undertaking.

Explanation—An individual shall be deemed to be not resident in India during the year ending on the valuation date if in respect of that year the individual is not resident in India within the meaning of the Income-tax Act.

(Applicable from assessment year 1977-78)

(1-A) Nothing contained in sub-section (1) shall operate to exclude from the net wealth of the assessee any assets referred to in clauses (iv-a), (xv), (xvi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), (xxviii), (xxix), (xxx) and (xxxi) [not being deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959] to the extent the value thereof exceeds, in the aggregate, a sum of one hundred and fifty thousand rupees :

Provided that where the assets include any assets referred to in clause (xv) or clause (xvi) [not being deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959], which have been owned by the assessee continuously from a date prior to the 1st day of March, 1970, and the value of the assets so included exceeds the limit of one hundred and fifty thousand rupees by any amount, such limit shall be raised by the said amount.

(2) Wealth-tax shall not be payable by an assessee in respect of any deposit made by the assessee with the Government or in any security of the Government or of a local authority not specified in clause (xv) or clause (xvi) or clause (xvi-a) of sub-section (1) which the Central Government may, by notification in the Official Gazette, exempt from wealth-tax; but the value of any deposit or security so exempted shall be included in computing the net wealth of the assessee;

(3) Notwithstanding anything contained in sub-section (1), wealth-tax shall be payable by an assessee in respect of the assets, referred to in clauses (xv), (xvi), (xix), (xx-a), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), (xxviii) and (xxix) of sub-section (1) or in sub-section (2) for any assessment year unless the assets are owned by him—

(a) in the case of shares in a company, from the date on which the shares were first issued by the company, or for a period of at least six months ending with the relevant valuation date, whichever is shorter; and

(b) in the case of other assets, for a period of at least six months ending with the relevant valuation date :

Provided that for the purpose of making any assessment for the assessment year commencing on the 1st day of April, 1963, the provisions of clause (b) shall not apply to ten-year defence deposit certificates and twelve-year national defence certificates held by the assessee on the relevant valuation date.

Explanation—For the purposes of clause (a) and clause (b) of this sub-section in computing the period of six months in relation to any assets (not being any share or security held as stock-in-trade for the purposes of the business of the assessee) in a case where such asset thereafter in this Explanation referred to as the relevant asset was acquired by the assessee by conversion of, or in exchange for, or with the proceeds of, or with the money constituting, any other asset exempt from wealth-tax under sub-section (1) or sub-section (2), there shall be included, if the assessee acquired the relevant assets within thirty days after he ceased to own such other asset, so much of the period for which the assessee has owned such asset as falls within the period of twelve months ending with the relevant valuation date.

CERTAIN EXEMPTIONS EXPLAINED IN DETAIL

(1) EXEMPTION IN RESPECT OF ONE HOUSE OR PART OF A HOUSE BELONGING TO THE ASSESSEE :

[Section 5 (1) (iv) of the Wealth-tax Act]

The provisions of section 5 (1) (iv) in respect of house were amended thrice. Originally the exemption was granted in respect of rural residential house subject to certain conditions. But by the Finance Act, 1964, the scope of exemption for a residential house was enlarged with effect from the assessment year 1964-65. It was provided that even where the assessee's residential house (*owned by him*) was situated at a place with a population exceeding ten thousand, the assessee would be entitled to an exemption in respect of the said residential house subject to a maximum sum of Rs. 1,00,000-. This position continued to prevail till assessment year 1970-71. The Finance Act, 1970 having effect from the assessment year 1971-72, had imposed a limit of Rs. 1,00,000 in respect of assessee's residential house whatever might be the location thereof.

Section 5 (1) (iv) of the Wealth-tax Act was again amended with effect from 1-4-1972 (*assessment Year 1972-73 and on wards*), whereby one house or a part of the house belonging to the assessee is exempt subject to a monetary ceiling of Rs. one lakh irrespective of whether the house is used by the assessee for his own residence or is let out on rent.

Where the assessee owns more than one house, he has the option to claim exemption in respect of any one house which would give him the maximum benefit.

It may be noted that where a property is jointly held in co-ownership, each of the co-owners will be entitled to claim exemption subject to the ceiling limit of Rs. one lakh.

The position of exemption in respect of house yearwise is given hereunder :

S. No.	Assessment years	Exemption in respect of
1	1957-58 to 1963-64	Own residential house situated at a place with population not exceeding 10,000 which was more than five miles distant from any area for which there was a municipality with a population exceeding 10,000. There was no limit to the amount of exemption. Exemption did not apply to more than one house.
2	1964-65 to 1970-71	Exemption as in (1) above and also where the house for his own residence was situated at a place with a population exceeding 10,000. In the latter case the amount of exemption was limited to Rs. 1,00,000. Exemption did not apply to more than one house.
3	1971-72	Exemption applied to one residential house only, wherever situated, but the limit of Rs. 1,00,000 applied irrespective of location.
4	1972-73 onwards	Exemption applies to any one house, used for own residence or not, subject to the maximum sum of Rs. 1,00,000 irrespective of its location.

2 EXEMPTION IN RESPECT OF AGRICULTURAL LAND :

(Section 5 (1) (iva) of the Wealth-tax Act)

Upto assessment year 1969-70 the agricultural land was fully exempt from wealth-tax. The Finance Act, 1969 having effect from assessment year 1970-71 had brought

agricultural land within its purview. It provided that the agricultural land belonging to the assessee would be exempt in his hands subject to a maximum value of Rs. 1,50,000/-. However, under the proviso to clause (iva,) where the assessee also owns a house in a place with a population exceeding ten thousand and the value of such house together with the value of the agricultural land exceed Rs. 1,50,000/- then the exemption in respect of the agricultural land was Rs. 1,50,000/- as reduced by the amount of exemption allowed under clause (iv), of sub-section 1 of section 5 in respect of the house.

Illustration : Suppose an assessee owns a house valued at Rs. 80,000 and agricultural land at Rs. 1 lakh. The deduction available in respect of these two assets will be as under :

(i) In respect of one house under section 5 (1) (iv) —	Rs. 80,000
(ii) In respect of agricultural land under section 5(1) (iva) (Rs. 1,50,000 - Rs. 80,000)	Rs. 70,000
Total	Rs. 1,50,000

The exemption of agricultural land alongwith house was available for the assessment years 1970-71 to 1974-75.

However, for the assessment year 1975-76 and any subsequent assessment year, no separate exemption will be available in respect of agricultural land under section 5 (1) (iva) as this exemption has been linked with the exemption in respect of financial assets specified in section 5(1A) of the Wealth-tax Act. Accordingly, for and from the assessment year 1975-76, an aggregate deduction of Rs. 1,50,000 will be available only under section 5(1A) in respect of the specified financial assets and agricultural land.

3. EXEMPTION IN RESPECT OF ONE FARM HOUSE :

[Section 5(i)(ivb) of the Wealth-tax Act.]

Section 5(1)(ivb) of the Wealth-tax Act under which the exemption was available has been amended by section 14(2) of the Finance Act, 1974 with effect from 1-4. 1975. The effect of this amendment is that for the assessment year, 1975-76 and any subsequent year, the existing exemption under section 5(i) (ivb) of the Wealth-tax Act will continue if the building or group of buildings referred to in that section is used as a store house or for keeping livestock. In other words, the exemption will not be available for and from the assessment year 1975-76 if such building is used as a dwelling house as in that case exemption upto Rs. 1 Lakh can be claimed under section 5(1) (iv).

4. EXEMPTION OF SPECIFIED FINANCIAL AND OTHER ASSETS UPTO Rs. 1,50,000 IN THE AGGREGATE :

[Section 5(1A) of the Wealth-tax Act.]

Under sub-section (1) of section 5 of the Wealth-tax Act, certain assets referred to in the following clauses of the said section are exempt from wealth-tax :

Section 5 (1) Clause No.	Nature of financial asset which is exempt
(iva)	Agricultural land belonging to the assessee (w.e.f. 1.4.1975)
(xv)	Deposits under any Scheme framed by the Central Government and notified in the Official Gazette.
(xvi)	10-year Treasury Certificates, 15 year annuity certificates, deposits in Post Office Savings Bank, Post Office cash certificates, Post Office National

Savings certificates, Post Office National Plan certificates, 12-year National Plan Savings certificates, 10-year Defence deposit certificates and 12-year National Defence certificates.

- (xxii) Securities of the Central Government or State Government (*w.e.f. 1.4.1971*)
- (xxiii) Shares in Indian Companies [*w.e.f. 1.4.1971*]
- (xxiv) Debentures issued by co-operative societies or notified institutions (*w.e.f. 1.4.1971*)
- (xxv) Units in the Unit Trust of India (*w.e.f. 1.4.1971*)
- (xxvi) Deposits with banking companies & co-operative societies including land mortgage and land development banks (*w.e.f. 1.4.1971*)
- (xxvii) Deposits with a financial corporation which is engaged in providing long-term finance for industrial development in India (*w.e.f. 1.4.1971*)
- (xxviii) Shares held in any co-operative society (*w.e.f. 1.4.1972*)
- (xxix) Deposits with a co-operative society (*w.e.f. 1-4-1972*)
- (xxxi) &
(xxxii) The value, as determined in the prescribed manner of the interest of the assessee in the assets (*not being land or building or any rights therein or any asset referred to in any other clause of sub-section 1 of section 5*) forming part of an industrial undertaking belonging to the assessee or belonging to a firm or an association of persons of which the assessee is a partner or, as the case may be, a member (*w.e.f. 1-4-1973*)

Section 5(1A) of the wealth-tax Act was inserted with effect from 1-4-1971 which provides that exemption in respect of the above assets will be available only up to a maximum amount Rs. 1,50,000. This monetary limit is not applicable to:

- 1- Cumulative Time Deposits in Post Office Savings Bank and the amount standing to the credit of an assessee in the Public Provident Fund Scheme account;
- 2- Investments in Gold Bonds; and
- 3- Shares in new industrial companies referred to in section 5(1) (xx) and 5(1) (xxa)

Under the proviso to section 5 (1A), where the assets referred to in clauses (xv) or (xvi) of sub-section (1) of section 5 were acquired by the assessee before 1-3-1970 and have been continuously held by him, since then and the value of such assets exceeds Rs. 1,50,000/- the monetary ceiling fixed under section 5 (1A) will be raised to that extent. In other words, if the value of such assets is, say Rs. 2,00,000/- as on 28-2-1970, the exemption available in respect of all the assets referred to in section 5 (1A) will be Rs. 2,00,000/- and not Rs. 1,50,000/-.

On and from the assessment year 1975-76, section 32 (1) (ba) of the Unit Trust of India Act, 1963 is suitably amended whereby if the over all financial assets under clauses (iva) (xv) (xvi) (xxii) (xxiii) (xxiv) (xxvi) to (xxxvii) is of Rs. 1,50,000/- or more, an additional exemption in respect of investments in the units of Unit Trust of India (clause xxv) will be allowed subject to a maximum of Rs. 25,000/-.

For example, if the investments in shares, securities, bank deposits, etc. is of Rs. 1,60,000 and investments in units of Unit Trust of India is Rs. 40,000 the exemption in respect of assets of Rs. 1,60,000/- will be limited to Rs. 1,50,000/- and further exemption in respect of investments in units of Unit Trust of India will be allowed but limited to a maximum of Rs. 25,000/-

Under section 5 (3) the exemption in respect of investment in the above mentioned categories of financial assets upto and an aggregate value of Rs. 1,50,000 will be available only in respect of such assets as are held for a period of at least six months ending with the valuation date. Consequently, in the case of bank deposits, only the lowest credit balance during the last six months ending with the valuation date and not the balance as on the valuation date will qualify for exemption subject to the monetary ceiling of Rs. 1,50,000. In so far as shares in Indian Companies are concerned these will qualify for exemption if they are held from the date of their first issue or for six months ending with the valuation date, whichever period is shorter.

With effect from 1-4-1973, the exemption in respect of any specified financial asset will not be forfeited on the ground that it was held for less than six months ending with the valuation date if such asset has been acquired by the assessee by conversion of, or in exchange for, or with the proceeds of any other asset exempt from wealth-tax, within a period of 30 days of the conversion or exchange. In such cases in computing the period of six months so much of the period for which the assessee has owned such other assets as referred herein before and falls within the period of twelve months ending with the relevant valuation date will also be taken into consideration [explanation to section 5(3)]

(5) EXEMPTION IN RESPECT OF CONVEYANCE :

Conveyance for personal use is exempt upto a value of Rs. 25,000 from the assessment year 1972-73 to 1974-75. On and from the assessment year 1975-76 and onwards, such monetary ceiling has been increased to Rs. 30,000/-. Any excess over Rs. 30,000/- will be liable to wealth-tax [second proviso to section 5(1) (viii)].

"CONVEYANCE" means any motor car or other mechanically propelled vehicle, aircraft or boat.

Valuation of assets :

Section 7 provides that subject to any rules made in this behalf, the value of any asset, other than cash and a house belonging to the assessee exclusively used by him for his own residential purposes shall be estimated to be the price it would fetch, if sold in the open market on the valuation date.

The value of a house belonging to the assessee and exclusively used by him for his residential purposes throughout the period of twelve months immediately preceeding the valuation date shall be taken, at the option of the assessee, to be the price which, in the opinion of the wealth-tax officer, it would fetch if sold in the open market on the valuation date next following the date on which he became the owner of the house, or on the valuation date relevant to the assessment year 1971-72, whichever valuation date is later; otherwise at the market price on the valuation date. Where the house has been constructed by the assessee, he shall, for the purpose of this provision, be deemed to have become the owner thereof on the date on which the construction of such house was completed.

Provided that where more than one house belonging to the assessee is exclusively used by him for residential purposes, he shall have the option to choose one of such houses for the purposes of this provision.

The value of securities issued by the Government or local authorities, and of debentures and shares in joint stock companies, is to be estimated on the basis of the closing price quoted on the recognised stock exchanges.

In valuing personal jewellery, the precious metal content and the value of the precious stones should be taken into account. No meticulous calculation of the making charges is necessary unless prima facie, there is something wrong in the assessee's figure for the making charges (C.B.T. circular No. 3.W.T.dt. 28th September, 1957)

In case of uncertainty in the matter of correct valuation of any asset, it would be advisable to get the asset/assets valued by the approved valuers appointed by the Government. Though the valuation report is not by itself binding on the department, the assessee would not be subjected to any penalty for under statement of the value of any asset on the ground that its value as adopted in the assessment order is higher than that estimated by the approved valuer. Rules have been framed for the valuation of the assets—

- (i) Valuation of life interest (Rule 1-B) ;
- (ii) Valuation of unquoted preference shares (Rule 1-C) ;
- (iii) Valuation of unquoted equity shares of companies other than investment companies (Rule 1-D) ;
- (iv) Valuation of interest in partnership or association of persons (Rule 2) [*Rules 2-A, 2-B, 2-C, 2-D, 2-E, 2-F, and 2-G relate to the adjustment in the value of assets*] ;
- (v) Valuation of assets forming part of industrial undertaking (Rule 2H) ;
- (vi) Valuation of interest in assets of industrial undertaking belonging to a firm or association of persons (Rule 2-1).

Incidence of tax on the basis of citizenship and residential status :

- (1) In the case of an assessee who is a citizen of India, the tax liability will be computed as under :
 - (i) if he is resident and ordinarily resident, he is liable to tax in respect of —
 - (a) the value of the assets and debts located in India ; and
 - (b) the value of the assets and debts located outside India, at the rates specified in Schedule I to the wealth—tax Act, and from the tax so computed, a rebate on the value of net foreign wealth will be admissible to him at 50% of the average rate of tax as provided under rule 4 of part II of

Schedule I to the Wealth - tax Act ;

- (ii) if he is resident but not ordinarily resident, he is liable to tax in respect of the value of assets and debts located in India. The value of assets and debts located outside India shall not be taken into account under the provisions of section 6(i) of the wealth-tax Act.
- (iii) if he is non —resident, he is liable to tax in the same manner as resident but not ordinarily resident as stated in clause (ii) above.
- (2) in the case of an assessee who is not a citizen of india, the tax liability will be computed as under :—
 - (i) if he is resident and ordinarily resident, he is liable to tax in respect of the value of assets and debts located in India. The value of assets and debts located outside india shall not be taken into account under the provisions of section 6(i) of the wealth tax Act.
 - (ii) if he is resident but not ordinarily resident, he is liable to tax in the same manner as resident and ordinarily resident as stated in clause (i) above.
 - (iii) if he is non--resident, the tax liability will be the same as in clause (i) above but a rebate at 50% of the tax payable will be admissible to him as provided under Rule 3 of part II of Schedule I to the wealth tax Act.

Submission of return of wealth:

- (1) Under section 14(1) of the wealth--tax Act, every person, if his net wealth or the net wealth of any other person in respect of which he is assessable under this Act on the valuation date was of such an amount as to render him liable to wealth--tax under this Act, has to voluntarily file the return of net wealth on or before the 30th day of june of the corresponding assessment year. proviso to section 14(1) provides that where the net wealth of such person includes the value of any assets held in a business or profession in respect of which the accounts are closed after the 28/29th February preceding the assessment year, then the return of net wealth may be furnished before the expiry of the time for furnishing the return of income under s. 139 (1), (2) and (3) of the income--tax Act 1961.

Thus for assessment year 1978--79 the return of wealth is to be filed on the dates mentioned here under :--

- (i) where the net wealth exceeds rupees one lakh and the net wealth includes assets held in a business or profession for which the accounting period ends after 28th February 1978.

On or before 31st July 1978

- (ii) In other cases, where the net wealth exceeds rupees one lakh.

On or before 30th June 1978

where it is not possible for an assessee to furnish the return within the time allowed, he may apply to the Wealth-tax Officer for extension of time. No form has been prescribed in respect of such application.

- (2) under section 14(2) of the wealth-tax Act, if the wealth-tax officer is of the opinion that any person is assessable under this Act, whether in respect of his net wealth or the net wealth of any other person, then notwithstanding anything contained in sub-section (1) he may serve a notice upon such person requiring him to furnish the return within a period of not less than thirty days from the date of service of the notice. where it is not possible to furnish a return within the time allowed under section 14(2) he may apply to the said authority for extension of time. No form has been prescribed in respect of such application.
- (3) Under section 15 of the wealth-tax Act, where return has not been furnished within the time allowed under section 14 or where it has been furnished but some omission or wrong statement is discovered therein, the assessee may file a return or a revised return, as the case may be, at any time before the assessment is made.

Self-assessment (Section 15-B) :

Where any tax is payable on the basis of any return required to be furnished under section 14, or section 15, or section 17, after taking into account the amount of tax, if any, already paid under any provision of this Act, the assessee shall be liable to pay such tax before furnishing the return and the return shall be accompanied by proof of payment of such tax.

If the assessee fails to pay such tax or any part thereof in accordance with the provisions narrated above, the Wealth-tax Officer may direct, after affording a reasonable opportunity to the assessee that a sum equal to two per cent of such tax or part thereof, as the case may be, shall be recovered from him by way of penalty for every month during which the default continues.

Provisional assessment (s. 15 C) :

The Wealth-tax Officer may, at any time after the receipt of a return made under section 14 or section 15 proceed to make a provisional assessment on the basis of the return furnished. There is no right of appeal against the provisional assessment.

TIME LIMIT FOR COMPLETION OF WEALTH-TAX ASSESSMENTS OR RE-ASSESSMENTS

(Section 17 A)

There was no provision in the wealth-tax Act prescribing any time limit for the completion of wealth-tax assessments or re-assessments. The Taxation Laws (Amendment) Act, 1975 had inserted the new section 17A in the wealth-tax Act which prescribed the time limits with effect from 1-1-1976 for completion of assessments or re-assessments as under.

- (a) All assessments relating to the assessment year 1974-75 or any earlier year which were pending on 1-4-1975 [*i.e. cases in which returns of net wealth were furnished before 1-4-1975 under section 14(1) or 14(2) or in which notices under section 14(2) were served before 1-4-1975*] have to be completed within 4 years from 1-4-1975 (*i.e. on or before 31.3.1979*) or within one year from the date of filing the return or revised return under section 15, whichever is later.
- (b) Assessments relating to the assessment year 1975-76 or any subsequent year have to be completed within 4 years from the end of the relevant assessment year or within one year from the date of filing the return or revised return under section 15, whichever is later.
- (c) Assessments relating to cases in which notices under section 17(1)(a) or 17(1)(b) were served before 1-4-1975, for any of the earlier assessment years upto and including the assessment year 1974-75 and which were pending on 1-4-1975 have to be completed on or before 31-3-1979.

- (d) Assessment relating to cases in which notice under section 17(1)(a) in respect of any year is served on or after 1-4-1975, have to be completed within four years from the end of the assessment year in which such notice is served. To illustrate, notice under section 17(1)(a) for the assessment year 1973-74 has been served in a case on 15-9-1975. The assessment in such a case is to be completed on or before 31-3-1980.
- (e) Assessment relating to cases in which notice under section 17(1)(b) in respect of any assessment year has been served on or after 1-4-1975 have to be completed within 4 years from the end of the relevant assessment year in which the net wealth was first assessable or within one year from the date of service of notice under section 17(1)(b), whichever is later.
- (f) Where fresh assessment is required to be made in pursuance of an order passed on or after 1-4-1975, under section 23 section 24 or section 25 (*i.e. as a result of any appeal or revision petition*) setting aside or cancelling an assessment, then the fresh assessment has to be completed within 4 years from the end of the financial year in which the order under section 23 or section 24 was received by the Commissioner or in which order under section 25 is passed by the Commissioner.

Important penalty provisions under the wealth-tax Act :

(1) Non-filing or late-filing of return [section 18(1) (a)] :

If the Wealth tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal in the course of any proceedings under this Act is satisfied that any person has without reasonable cause failed to furnish the return which he is required to furnish under sub-section (1) of section 14 or by notice given under sub-section (2) of section 14 or section 17, or has without reasonable cause failed to furnish it within the time allowed and in the manner required by sub-section (1) of section 14 or by such notice, as the case may be, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of wealth-tax, if any, payable by him.

- (i) Where the return of net-wealth is filed on or before 31st March, 1969, a sum equal to two per cent of the tax for every month during which the default continued but not exceeding in the aggregate fifty per cent of the tax;
- (ii) Where the return of net wealth is filed between 1st April, 1969 and 31st March, 1976 a sum for every month during which the default continued, equal to one half per cent of—
- (A) the net wealth assessed under section 16 as reduced by the amount of initial exemption [*i.e. Rs. 1,00,000 in the case of an individual and Rs. 2,00,000 in the case of a Hindu undivided family*], or
- (B) the net wealth assessed under section 17, where assessment has been made under that section, as reduced by—
- (1) the net wealth, if any, assessed previously under section 16 or section 17, or
 - (2) the amount of initial exemption [*i.e. Rs. 1,00,000 in the case of an individual and Rs. 2,00,000 in the case of a Hindu undivided family*]; whichever is greater.

but not exceeding, in the aggregate, an amount equal to the net wealth, assessed under section 16, or, as the case may be, the net wealth assessed under section 17 as reduced in either case in the manner aforesaid.

As per press note issued by the Ministry of Finance (Deptt. of Revenue & Insurance) on 2nd June, 1969, in case where the wealth-tax returns of past years are filed after 31st March, 1969, the penalty for late filing of return will be computed as under:—

- (a) for the period of default upto 31st March, 1969, at the old rates, viz., two per cent of the tax for every month of default till 31st March, 1969, and
- (b) for the period of default after 31st March, 1969, till the date of filing the return at the new rates, viz., one-half per cent. per month of assessed net wealth as reduced by the amount mentioned above;

- (iii) where the return of net wealth is filed after 31st March, 1976, a sum equal to two per cent. of the assessed tax for every month during which the default continued.

The author is of the opinion that where returns of net wealth of past years are filed after 31st day of March, 1976 the penalty for late filing of return shall be computed as under :—

- (a) for the period of default upto 31st March, 1969, at the rate of two per cent. of the wealth-tax chargeable for every month of default till 31st March, 1969,
- (b) for the period of default between 1st April, 1969 to 31st March, 1976 at the rate of one-half per cent. per month of the assessed net wealth as reduced by the amount of initial exemption in case the wealth is assessed under section 16, or the amount of initial exemption or previously assessed wealth, whichever is greater, in case the wealth is assessed under section 17.
- (c) for the period of default after 31st March, 1976, at the new rates, viz., two per cent. of the assessed tax for every month of default.

The time limit prescribed for furnishing the return of net wealth voluntarily under section 14(1) was extended by general extension in respect of certain assessment years, as shown below. No penalty under section 18(1)(i) is tenable if the return has been furnished within such extended time :

Assessment Year	Class of assesseees	Time extended upto	C.B.D.T. Circular No.
1968-69	All assesseees	31-8-1968	4(WT) of 1968 dated 13-8-1968
1970-71 & 1971-72	Persons owning agricultural land or other assets related thereto	29-2-1972	78 [F. No. 328/11/72-WT] dated 17-2-1972
1972-73	All assesseees	31-7-1972	88 [F. No. 142 (12)/72-TPL] dated 19-6-1972

2) *Non-compliance of notice under section 16(2) or section 16(4) [Section 18(1)(b)]:*

If the Wealth-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal in the course of any proceedings under this Act is satisfied that any person has, without reasonable cause failed to attend the office of the Wealth-tax Officer in person or to produce or cause to be produced any evidence in support of the return on a date specified in the notice issued by the Wealth-tax Officer under section 16(2), or without reasonable cause failed to produce or cause to be produced on a specified date, such accounts, records or other documents as required in the notice issued by the Wealth-tax Officer under section 16(4), he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to the amount of wealth-tax payable by him,—

- (i) where the default is occurred on or before 31st March, 1969, a sum which shall not be less than ten per cent., but which shall not exceed fifty per cent. of the amount of the tax, if any, which would have been avoided if the net wealth as returned by such person had been accepted as the correct net wealth;
- (ii) where the default is occurred between 1st April, 1969 and 31st March, 1976, a sum which shall not be less than one per cent. of the assessed net wealth, but which shall not exceed the amount of the net wealth, assessed under section 16 as reduced by the net wealth declared in the return, if any, furnished by such person, or, as the case may be, the net wealth assessed under section 17 as reduced by—
 - (a) the net wealth, if any, assessed previously under section 16 or section 17, or
 - (b) the net wealth declared in the return, if any, furnished by such person under section 17,

whichever is greater; and

- (iii) where the default occurs on or after 1st April, 1976, a sum which shall not be less than ten per cent., but which shall not exceed fifty per cent. of the amount of the wealth-tax, if any, which would have been avoided if the net wealth returned by such person had been accepted as the correct net wealth.

(3) *Concealment of wealth or furnishing inaccurate particulars of net wealth [Sec. 18(1)(c)] :*
If the Wealth-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal in the course of any proceedings under this Act is satisfied that any person has concealed the particulars of any assets or debts, he or it may, by order in writing, direct that such person shall pay by way of penalty, in addition to any wealth-tax payable by him,—

- (i) where the default is occurred on or before 31st March, 1968, a sum which shall not be less than twenty-five per cent., but which shall not exceed one and-a-half times the amount of the tax, if any, which would have been avoided if the net wealth as returned by such person had been accepted as correct net wealth;
- (ii) where the default is occurred between 1st April, 1968 and 31st March, 1976, a sum which shall not be less than, but which shall not exceed twice, the amount representing the value of any assets in respect of which the particulars have been concealed or any assets or debts in respect of which inaccurate particulars have been furnished; and
- (iii) where the default occurs on or after 1st April, 1976, a sum which shall not be less than, but which shall not exceed five times, the amount of tax sought to be evaded by reason of the concealment of particulars of any assets or the furnishing of inaccurate particulars in respect of any assets or debts.

The expression "the amount of tax sought to be evaded" is now defined as under with effect from 1st April, 1976:—

- (1) Where any person, in respect of any facts material to the computation of his net wealth, fails to offer an explanation or offers an explanation which he is not able to substantiate, then, the amount added or disallowed in computing his net wealth as a result thereof, shall be deemed to represent the value of the assets in respect of which particulars have been concealed. However, any addition or disallowance made as a result of rejection of any explanation offered by such person shall not be treated as concealed wealth, if such explanation is *bona fide* and all the facts relating to the same and material to the computation of his net wealth have been disclosed by him [*Explanation 2 to section 18(1)(c)(iii)*];
- (2) Where any person who has not previously been assessed under the Wealth-tax Act fails, without reasonable cause, to furnish within the period of limitation for completion of assessment as specified in clause (a) or clause (b) of sub-section (1) of section 17A a return of his net wealth in respect of any assessment year, then, such person shall be deemed to have concealed the particulars of his assets or furnished inaccurate particulars of any assets or debts in respect of such assessment year. In such a case, the assessee shall be liable not only to penalty under section 18(1)(a) for failure to file the return within the time allowed by section 14(1) but he shall also be liable to penalty under section 18(1)(c) for concealment of wealth [*Explanation 3 to section 18(1)(c)(iii)*];

Section 18(3A) provides that the amount of the penalty, imposed in such case under section 18(1)(a) for late filing of the return and under section 18(1)(c) for deemed concealment, shall not exceed, in the aggregate, five times the amount of the tax sought to be evaded.

- (3) Where the value of any asset returned by any person is less than seventy per cent. [in relation to assessment years 1968-69 to 1975-76 seventy-five per cent.] of the value of such asset as determined on assessment, such person shall be deemed to have furnished inaccurate particulars of such asset unless he proves that the value of the assets as returned by him is the correct value [*Explanation 4 to section 18(1)(c)(iii)*]

Note—Where the amount of concealed wealth, in respect of which penalty is imposable under section 18(1)(c) exceeds Rs. 25,000, then the penalty will be imposed by the Wealth-tax Officer after obtaining the previous approval of the Inspecting Assistant Commissioner.

WAIVER OR REDUCTION OF PENALTY

Late submission of return:

Under clause (i) of sub-section (1) of section 18-B of the Act, the Commissioner may, in his discretion, reduce or waive the amount of penalty imposed or imposable on a person under section 18(1)(i) for failure without reasonable cause to furnish the return of net wealth which such person was required to furnish under section 14(1), if he is satisfied that such person,—

- (a) has, voluntarily and in good faith, made full disclosure of his net wealth prior to the issue of notice to him under section 14(2) ;
- (b) has co-operated in any inquiry relating to the assessment for his net wealth ; and
- (c) has either paid or made satisfactory arrangements for the payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year.

Notes: (1) For the purposes of this sub-section, a person shall be deemed to have made full and true disclosure of the particulars of his assets or debts in any case where the excess of net-wealth assessed over the net wealth returned is of such a nature as not to attract the provisions of clause (c) of sub-section (1) of section 18 [*Explanation to sub-section (1) of section 18-B*].

- (2) Where an order has been made under sub-section (1) of section 18-B in favour of any person, whether such order relates to one or more assessment years, he shall not be entitled to any relief under this section in relation to any other assessment year at any time after the making of such order [*Sub-section (3) of section 18-B*].

Concealment of wealth:

Under clause (ii) of sub-section 1 of section 18-B the Commissioner may, in his discretion, reduce or waive the amount of penalty imposed or imposable under section 18(1)(iii) for concealment of the particulars of wealth or furnishing inaccurate particulars of net wealth, if he is satisfied that such person,—

- (a) has, prior to the detection by the Wealth-tax Officer, of the concealment of particulars of assets or of the inaccuracy of the particulars furnished in respect of any asset or debt in respect of which the penalty is imposable, voluntarily and in good faith made full and true disclosure of such particulars ;
- (b) has co-operated in any inquiry relating to the assessment for his net wealth ; and
- (c) has either paid or made satisfactory arrangements for the payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year.

Notes: (1) Where the amount of net wealth in respect of which the penalty is imposed or imposable u/s 18(1)(c) of the Wealth-tax Act for the relevant assessment year, or where such disclosure relates to more than one assessment year, the net wealth for any one of the relevant assessment years, exceeds rupees five lacs, no order reducing or waiving the penalty under section 18-B(1) shall be made by the Commissioner except with the previous approval of the Board [*Sub-section (2) of section 18-B*].

- (2) Where an order has been made under sub-section (1) of section 18-B in favour of any person, whether such order relates to one or more assessment years, he shall not be entitled to any relief under this section in relation to any other assessment year at any time after the making of such order [*Sub-section 3 of section 18-B*].

Example 1 : An individual has the following assets as on valuation date, 31st March, 1978.

(A) Immovable Assets (land at Bombay)	Rs. 7,00,000
(B) Movable Assets	
*(i) National Savings Certificates (Purchased on 31.12.77)	Rs. 25,000
(ii) Cash-in-hand	Rs. 10,000

(iii)	Insurance policy on the life of his wife maturing on death	Rs. 1,00,000	
(iv)	Motor Car (for personal use)	Rs. 28,000	
(v)	Residential house which was purchased in 1970 and its market value as on 31.3.71 was Rs. 1,50,000 (—) Present market value	Rs. 1,90,000	
(vi)	Jewellery and ornaments	Rs. 50,000	
(vii)	Equity shares in an Indian Company (Purchased from another person on 28.2.78. Money was paid out of encashment of F.D.R. on 15.2.78 which was purchased on 14.2.74)	Rs. 50,000	
(viii)	Coparcenary interest in H.U.F.	Rs. 75,000	
(ix)	Investment in trading business	Rs. 50,000	
(x)	Household goods	Rs. 5,000	
(xi)	Value of assets in an industrial undertaking	Rs. 45,000	Rs. 6,28,000
Gross wealth			Rs. 13,28,000

Solution :**Computation of net wealth :**

(A) Immovable Assets Rs. 7,00,000

(B) Movable Assets (gross) Rs. 6,28,000

**** Less :** difference in market value of the residential house

Present market value Rs. 1,90,000

Deduct-Market value

as on 31.3.71 Rs. 1,50,000

Rs. 40,000

Rs. 5,88,000

Less : Exemptions—

- | | | |
|-------|--|--------------|
| (i) | Insurance policy on the life of his wife maturing on death [s. 5(1)(vi)] | Rs. 1,00,000 |
| (ii) | Motor car for personal use [s. 5(i)(viii)] | Rs. 28,000 |
| (iii) | Residential house [s. 5(1)(iv)] | Rs. 1,00,000 |
| (iv) | Coparcenary interest in H.U.F. [s. 5(1)(ii)] | Rs. 75,000 |
| (v) | Household goods [s. 5(1)(viii)] | Rs. 5,000 |

(vi) Financial assets

*** (a) Equity shares in Indian Company [s. 5(i)(xxiii)] Rs. 50,000

(b) Value of assets in an industrial undertaking [(s. 5(1)(xxi)]

Rs. 45,000

Rs. 4,03,000

Rs. 1,85,000

Net wealth before current wealth-tax

Rs. 8,85,000

	Brought forward	Rs. 8,85,000
Less—Current wealth-tax		Rs. 11,226
Net wealth		Rs. 8,73,774
Net wealth rounded off		Rs. 8,73,800

Calculation of wealth-tax

Wealth-tax on the first	Rs. 250,000 @ 0.5%	Rs. 1250
Welth-tax on next of	Rs. 250,000 @ 1%	Rs. 2500
Wealth-tax on balance of	Rs. 273,800 @ 2%	Rs. 7476

Wealth-tax	Rs. 11,226
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* No exemption is available on National Savings Certificates since they were held by the assessee for a period of less than six months [s. 5 (3)].

** In case of valuation of house which is exclusively used for his residential purpose the valuation date at the option of the assessee will be the valuation date relevant to the assessment year 1971-72 or the valuation date next following the date on which he became the owner of house or the date when the house was constructed, as the case may be, whichever is later or otherwise the market price at the valuation date (s. 7)

*** In spite of the fact that the shares were held by the assessee for a period of less than six months; still he will be entitled to exemption on equity shares under s. 5 (1) (xxiii), since those were purchased within thirty days from the date of the encashment of F. D. R. [Fixed deposits with a banking company being exempt under s. 5 (1) (xxvi)] [Explanation to s. 5 (3)]

Example 2 : A Hindu undivided family whose members have taxable wealth, has the following assets and liabilities on valuation date 31.3.78

(i) Business assets	Rs. 2,00,000
(ii) House Property	Rs. 1,20,000
(iii) Agricultural land (old)	Rs. 2,00,000
(iv) Annuity deposit	Rs. 5,000
(v) Deposit with Co-operative Society (20th September, 1977)	Rs. 25,000
(vi) Jewellery	Rs. 50,000
(vii) Cash-in-hand	Rs. 20,000
Gross Wealth	Rs. 6,20,000
Debts and income-tax payable	Rs. 20,000

Solution :

Computation of Net-wealth

Gross wealth (as given above)	Rs. 6,20,000
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Less-Exemption :

House Property [s. 5(1) (iv)]	Rs. 1,00,000
Annuity Deposit [s. 5(1) (vi-a)]	Rs. 5,000

Financial assets:

(a) Agricultural land [5(1) (iv-a)]	Rs. 2,00,000
(b) Deposits with Co-operative Society [5(1) (xxix)]	Rs. 25,000
	<u>Rs. 2,25,000</u>

As per section 5(1-A) exemption is restricted to	<u>Rs. 1,50,000</u>	<u>Rs. 2,55,000</u>
		Rs. 3,65,000

	Brought forward	Rs. 3,65,000
Less : Debts and income-tax payable		Rs. 20,000
Net wealth before current wealth-tax		Rs. 3,45,000
Less : Current wealth-tax		Rs. 5,540
Net wealth —		Rs. 3,39,460
Net wealth rounded off—		Rs. 3,39,500

Calculation of wealth-tax

Wealth-tax on the first Rs. 2,50,000 @ 1.5%	Rs. 3,750	
Wealth-tax on the balance of Rs. 89,500 @ 2%	Rs. 1,790	Rs. 5,540
Agricultural land alongwith other assets as mentioned in section 5 (1-A) of the Wealth-tax Act, 1957, herein referred to as financial assets are exempt upto Rs. 1,50,000/-.		

Example 3 · A surgeon, citizen of India, has the following assets on valuation date, 31st March, 1978

(i) Nursing home	Rs. 85,000
(ii) Tools and instruments (necessary for carrying on profession)	Rs. 25,000
(iii) Cost of beds etc. in nursing home	Rs. 5,000
(iv) Deposit in banks (28th September, 1977)	Rs. 50,000
(v) House property	Rs. 1,50,000
(vi) Equity shares in Indian Company (originally allotted to the assessee)	Rs. 50,000
(vii) Value of assets in an industrial undertaking	Rs. 70,000
Gross wealth	Rs. 4,35,000

Solution :

Computation of Net wealth

Gross wealth (as given above)	Rs. 4,35,000
Less : Exemptions :	
Tools and instruments [s.5 (1) (x)]	Rs. 20,000
Financial Assets—	
(a) Deposits in banks [(s. 5 (1) (xxvi)]	Rs. 50,000
** (b) Equity shares [s. 5 (1) (xxiii)]	Rs. 50,000
(c) Value of assets in an Industrial undertaking [s. 5 (1) (xxxi)]	Rs. 70,000
	Rs. 1,70,000
As per section 5 (1-A) exemption restricted to	Rs. 1,50,000
*** House property [s. 5 (iv)]	Rs. 1,00,000
	Rs. 2,70,000
	Rs. 1,65,000
Less : Current wealth-tax	Rs. 821
Net wealth	Rs. 1,64,179
Net wealth rounded off	Rs. 1,64,200

Calculation of wealth-tax

Wealth-tax on Rs. 1,64,200 @ 1%	Rs. 821
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- * Tools and instruments necessary to the assessee to carry on his profession or vocation are exempted to the maximum of Rs. 20,000 [s. (5) (1) (x)]
- ** The condition of the holding of equity shares for a period of at least six months ending with the valuation date, if were first issued by the company, is not necessary [s. 5 (3) (a)]
- *** One house or part of a house belonging to the assessee is exempted to the maximum of Rs. 1,00,000 [s. 5 (1) (iv)]

RATES OF WEALTH-TAX

- (A) In the case of every individual and Hindu undivided family other than a specified Hindu undivided family:
- A. Y. 1978-79**
- on the first Rs. 2,50,000 of net wealth 1%
 - on the next Rs. 2,50,000 of the net wealth 1%
 - on the next Rs. 5,00,000 of the net wealth 2%
 - on the next Rs. 5,00,000 of the net wealth 2.5%
 - on the balance of net wealth 3.5%
- Provided that,—
- (i) no wealth-tax shall be payable where the net wealth does not exceed Rs. 1,00,000;
 - (ii) the wealth-tax payable shall, in no case, exceed 5% of the amount by which the net wealth exceeds Rs. 1,00,000.
- (B) In the case of every specified Hindu undivided family (Hindu undivided family which has at least one member whose net wealth assessable for the assessment year exceeds Rs. 1,00,000)

A. Y. 1978-79

- on the first Rs. 2,50,000 of net wealth 1.5%
 - on the next Rs. 2,50,000 of net wealth 2%
 - on the next Rs. 5,00,000 of net wealth 2.5%
 - on the balance of net wealth 3.5%
- Provided that,—
- (i) no wealth-tax shall be payable where the net wealth does not exceed Rs. 1,00,000;
 - (ii) the wealth-tax payable shall in no case, exceed 5% of the amount by which the net wealth exceeds Rs. 1,00,000.

Valuation of life interest for Wealth-Tax purpose (RULE 1-B)

The market value of the life interest of an assessee shall be arrived at by multiplying the average annual income that accrued to the assessee from the factor for life interest.

Example :—The net income of the Trust settled by Mr. C was to be divided equally between the beneficiaries Mr. D and Mr. E. The value of assets held in Trust as on 31-3-78 was Rs. 5,00,000. The income of the trust for the three years as under :—

31-3-78	31-3-76	31-3-77
Rs. 40,000	Rs. 30,000	Rs. 35,000

The age of D and E, the beneficiaries as on 31-3-78 is 20 years and 15 years respectively. Compute the value of life interest of beneficiaries and Trust.

Solution :**Computation of value of life interest of beneficiaries :**

Total income of Trust for three years	Rs. 1,05,000
Average annual income of Trust	Rs. 35,000
Average annual income of each beneficiary	Rs. 17,500
Life Interest of D	— Annual income X Factor for life interest 17,500 X 12.273 Rs. 214,777.50
Life interest of E	— Annual Income X Factor for the life interest 17,500 X 12.587 Rs. 2,20,272.50

Computation of net wealth of Trust.

Total value of assets of Trusts	Rs. 5,00,000
Deduct—Life interest of beneficiaries	
Mr. D Rs. 2,14,777.50	
Mr. E Rs. 2,20,272.50	Rs. 435,050
	Net wealth of Trust Rs. 64,950

VALUATION OF LIFE INTEREST

Age of beneficiary	Factor for life interest	Age of beneficiary	Factor for life interest	Age of beneficiary	Factor for life interest
0	10.100	28	11.614	56	7.099
1	11.999	29	11.505	57	6.888
2	12.517	30	11.399	58	6.676
3	12.765	31	11.285	59	6.464
4	12.893	32	11.173	60	6.255
5	12.951	33	11.053	61	6.008
6	12.965	34	10.927	62	5.806
7	12.955	35	10.804	63	5.610
8	12.930	36	10.675	64	5.419
9	12.893	37	10.541	65	5.234
10	12.850	38	10.400	66	5.054
11	12.803	39	10.249	67	4.879
12	12.751	40	10.093	68	4.709
13	12.699	41	9.932	69	4.543
14	12.644	42	9.771	70	4.380
15	12.587	43	9.607	71	4.220
16	12.534	44	9.441	72	4.062
17	12.473	45	9.267	73	3.907
18	12.417	46	9.092	74	3.753
19	12.351	47	8.911	75	3.602
20	12.273	48	8.724	76	3.453
21	12.207	49	8.533	77	3.305
22	12.132	50	8.333	78	3.160
23	12.057	51	8.130	79	3.016
24	11.972	52	7.926	80	2.875
25	11.888	53	7.722	Factor for calculation of Life Interest is of Rs. 1 per annum at 6-1/2% rate of interest (Vide Rule 1-B and Appendix of Wealth-Tax Rules)	
26	11.806	54	7.518		
27	11.715	55	7.310		

WEALTH-TAX TABLE
WHERE NET WEALTH IS BETWEEN Rs. 1,00,100 Rs. 10,21,250
FOR THE ASSESSMENT YEAR 1978-79 & 1979-80

NET WEALTH	For Individuals & unspecified H. U. F.		NET WEALTH	For Individuals & unspecified H. U. F.		NET WEALTH	For Individuals & unspecified H. U. F.		NET WEALTH	For Specified H. U. F.		NET WEALTH	For Individuals & unspecified H. U. F.		NET WEALTH	For Specified H. U. F.	
	Wealth-tax @ 5% on account of marginal relief between Rs. 1,00,100 & Rs. 1,11,600			Wealth-tax @ 1.2% between Rs. 1,11,700 & Rs. 251250			Wealth-tax @ 1.5% between Rs. 1,45,100 & Rs. 253750			Wealth-tax @ 1% between Rs. 251250 & Rs. 503750			Wealth-tax @ 2% between Rs. 2,53,750 & Rs. 5,08,750			Wealth-tax @ 2% between Rs. 5,03,750 & Rs. 10,13,750	
	Rs.	P.		Rs.	P.		Rs.	P.		Rs.	P.		Rs.	P.		Rs.	P.
100	4.76		100	0.50		100	0.99		100	1.98		100	1.98		100	2.44	
200	9.52		200	1.00		200	1.98		200	3.92		200	3.92		200	4.88	
300	14.29		300	1.49		300	2.97		300	5.88		300	5.88		300	7.32	
400	19.05		400	1.99		400	3.96		400	7.84		400	7.84		400	9.76	
500	23.81		500	2.49		500	4.95		500	9.80		500	9.80		500	12.20	
600	28.57		600	2.99		600	5.94		600	11.76		600	11.76		600	14.63	
700	33.33		700	3.48		700	6.93		700	13.73		700	13.73		700	17.07	
800	38.10		800	3.98		800	7.92		800	15.69		800	15.69		800	19.51	
900	42.86		900	4.48		900	8.91		900	17.65		900	17.65		900	21.95	
1000			1000	4.98		1000	9.90		1000	19.60		1000	19.60		1000	24.39	
2000			2000	9.95		2000	19.80		2000	39.22		2000	39.22		2000	48.78	
2500			2500	12.44		2500	24.75		2500	49.02		2500	49.02		2500	60.98	
3000			3000	14.93		3000	29.70		3000	58.82		3000	58.82		3000	73.17	
4000			4000	19.90		4000	39.00		4000	78.43		4000	78.43		4000	97.56	
						5000	49.50		5000	98.04		5000	98.04		5000	121.95	
						6000	59.41		6000	117.65		6000	117.65		6000	146.34	
						7000	69.31		7000	137.25		7000	137.25		7000	170.73	
						8000	79.21		8000	156.86		8000	156.86		8000	195.12	
						9000	89.11		9000	176.47		9000	176.47		9000	219.51	
												10000	196.08		10000	243.90	
												15000	294.12		15000	365.85	
												20000	392.16		20000	487.80	
100100	4.76		111700	555.72		251250	1250.00		503750	Refer Previous Column		503750	3750.00		Refer Previous Column		
100200	9.52		111800	556.22		253750	1274.75		505000			505000	3774.51				
100300	14.29		111900	556.72		254300	1277.23		508750			508750	3848.04				
100400	19.05		112000	557.21		255000	1287.13		509000			509000	3852.94				
100500	23.81		115000	572.14		260000	1336.63		510000			510000	3872.55				
100600	28.57		120000	597.01		270000	1435.64		515000			515000	3970.59				
100700	33.33		125000	621.89		280000	1534.65		525000			525000	4166.67				
100800	38.10		130000	646.77		290000	1633.66		550000			550000	4656.86				
100900	42.86		135000	671.64		300000	1732.67		575000			575000	5147.06				
101000	47.62		140000	696.52		310000	1831.68		600000			600000	5637.25				
102000	95.24		145000	721.39		320000	1930.69		625000			625000	6127.45				
103000	142.86		145100	721.89	2144.33	330000	2029.70	2144.33	650000			650000	6617.65				
104000	190.48		146000	726.37	2157.64	340000	2128.71	2157.64	675000			675000	7107.84				
105000	238.10		150000	746.27	2216.75	350000	2227.72	2216.75	700000			700000	7598.04				
106000	285.71		155000	771.14	2290.64	360000	2326.73	2290.64	725000			725000	8088.23				
107000	333.33		160000	796.02	2364.53	370000	2425.74	2364.53	750000			750000	8578.43				
108000	380.95		165000	820.90	2438.42	380000	2524.75	2438.42	775000			775000	9068.63				
109000	428.57		170000	845.77	2512.31	390000	2623.76	2512.31	800000			800000	9558.82				
110000	476.19		175000	870.65	2586.21	400000	2722.77	2586.21	825000			825000	10049.02				
111000	523.81		180000	895.52	2660.10	410000	2821.78	2660.10	850000			850000	10539.21				
111600	552.38		185000	920.40	2733.99	420000	2920.79	2733.99	875000			875000	11029.41				
111700			190000	945.27	2807.88	430000	3019.80	2807.88	900000			900000	11519.61				
111800			195000	970.15	2881.77	440000	3118.81	2881.77	925000			925000	12009.80				
111900			200000	995.02	2955.66	450000	3217.82	2955.66	950000			950000	12500.00				
112000			205000	1019.90	3029.56	460000	3316.83	3029.56	975000			975000	12990.19				
115000			210000	1044.78	3103.45	470000	3415.84	3103.45	1000000			1000000	13480.39				
120000			215000	1069.65	3177.34	480000	3514.85	3177.34	1005000			1005000	13578.43				
125000			220000	1094.53	3251.23	490000	3613.86	3251.23	1010000			1010000	13676.47				
130000			230000	1144.28	3391.01	500000	3712.87	3391.01	1013750			1013750	13750.00				
135000			240000	1194.03	3546.80	502500	3737.62	3546.80	1015000			1015000					
140000			250000	1243.78	3694.58	503750	3750.00	3694.58	1020000			1020000					
145000			251250	1250.00	3713.05	505000	Refer N. Column	3713.05	1021250			1021250					
			253750	Ref. N. col.	3750.00	508750	Column	3750.00									

- Notes : 1. Net wealth figures shown represent net wealth after deduction of all liabilities except current year's wealth-tax.
2. Specified H.U.F. means Hindu Undivided Family which has at least one member whose net wealth assessable for the assessment year exceeds Rs. 1,00,000.
3. Unspecified H. U. F. means Hindu undivided Family which has no member whose net wealth assessable for the assessment year exceeds Rs. 1,00,000.

VALUATION OF SHARES FOR WEALTH-TAX PURPOSE

Quoted shares—For the valuation of quoted shares and securities, C.B.D.T. Circular No. 3 (W.T.) of 1957, dated 28th September, 1957 provides,

- (a) Shares in joint stock companies and securities issued by Government or local authorities which are the subject of dealings in a recognised stock exchange may be valued on the basis of the closing price noted on the stock exchange, on the valuation date. For this purpose, if an assessee is assessed within a State in which there is a recognised stock exchange, the price quoted on that exchange may be taken into account. However, if there is no recognised stock exchange in the State in which the assessee is assessed, the price quoted on the recognised stock exchange located in a State nearest to the State in which the assessee is assessed may be adopted. In either case, if no price is quoted on the valuation date (for example, when the exchange is closed for business for that day), the price on a date nearest to the valuation date may be adopted.
- (b) Similarly, in the case of shares in foreign companies and securities issued abroad which are not the subject-matter of dealings in a recognised stock exchange in India but which are dealt with in a recognised stock exchange in a foreign country, the value may be estimated on the basis of the price quoted on the recognised stock exchange of the foreign country in which the share or the security is issued."

In case where two closing prices are quoted for buying and selling in respect of a share, the mean of the two quoted prices may be taken, and also where the quoted price is ex-dividend, while estimating the price of the shares the declared or expected dividend shall have to be added to the quoted price of the shares.

The quoted prices of a stock exchange may not be said to be absolute test for the valuation of shares and stocks. Still it is the most convenient and simple method where the buyers and sellers are in fact the judge to whom the assessor can safely leave the decision. Sometimes it may be that during the high level of speculation the stock market prices may shoot up or slump down accordingly as the interested parties seek to corner or dump their holdings. It is also possible that the holder of large block of shares may bring the prices down, near about the valuation date, by clever manipulation of his shares. In such cases it would be permissible for the assessee and the assessor to displace the quoted price by evidence.

In second part of this book we have given the share quotations on various stock exchanges in India as at the close of three important valuation dates, viz., Diwali, 31st December and 31st March relevant to the assessment year.

Unquoted shares:—In computing the net wealth of an assessee, there generally arises a difficulty in determining the fair market value of shares which are not quoted on any recognised stock exchange. On this issue, there remains a difference of opinion between the Wealth-tax Officer and the assessee, as such, the Central Board of Direct Taxes has issued instructions contained in Circular No. 2 (W. T.) of 1967, dated the 31st October, 1967 in respect of valuation of unquoted shares.

Valuation of unquoted preference shares (Rule 1-C) :—The value of the unquoted preference shares is determined by applying Rule 1-C of the Wealth-Tax Rules, 1957—

- (i) where the rate of dividend on a preference share is eight per cent. or more, the market value shall be the paid-up value of such share;
- (ii) Where the rate of dividend on a preference share is less than eight per cent. the market value shall be the adjusted paid-up value of such shares. The adjusted paid-up value is arrived at on the same proportion as the stipulated rate of dividend bears to eight per cent. The formula for arriving at the adjusted paid-up value of the preference shares. In case the rate of dividend is less than eight per cent., is given hereunder :—

$$\frac{100}{8} \times \text{Rate of dividend of preference share}$$

Provided that where no dividend has been paid by a company in respect of an unquoted preference share continuously for not less than three accounting years ending on the valuation date or ending on a date immediately before the valuation date where the accounting year does not end on the valuation date, the paid-up value or the adjusted paid-up value, as the case may be, shall be reduced according to the following table :—

No. of accounting years ending on the valuation date or preceding the valuation date, for which no dividend has been paid	Reduction in paid-up or adjusted paid-up value	
	For non-cumulative preference shares	For cumulative preference shares
3 years	10%	5%
4 years	20%	10%
5 years	30%	15%
6 years or more	40%	20%

Example 1 :

Mr. X holds 10,000 8% preference shares of Rs. 100 each fully paid up. These shares are not listed on any recognised stock exchange. Calculate the market value of the shares.

Solution :

Since the rate of dividend on preference share is 8% the market value of the share will be at par of the paid-up value, i.e., Rs. 100 per share.

Example 2 :

Mr. X holds 10,000 10% non-cumulative preference shares of Rs. 100 each fully paid-up. These shares are not listed on any recognised stock exchange. Dividend has not been paid on these shares continuously for the last three years immediately before the valuation date. Calculate the market value of the shares.

Solution :

The value of the shares will be at par of the paid-up value as the rate of dividend on such shares is not less than 8%.

Since no dividend has been paid on these shares continuously for the last three years preceding the valuation date the paid-up value of the shares shall be reduced by 10% for arriving at the market value of the share :

$$\frac{10 \times 100}{100} = \text{Rs. } 10$$

The market value will be = Rs. 100 minus Rs. 10 = Rs. 90

Valuation of unquoted equity shares (Rule 1-D) :

(a) **Unquoted equity shares of companies other than investment companies, holding companies and managing agency companies :**—The market value in respect of such shares shall be determined in the following manner :—

The value of all the liabilities as shown in the balance-sheet of the company shall be deducted from the value of all its assets as shown in that balance sheet. The net value of assets shall be divided by the total number of equity shares; the resultant amount shall be the break-up value of each unquoted equity share. 85% of the break-up value as determined above shall be the market value of each such share for the purpose of Section 7 of the Wealth-tax Act :

Provided that where in respect of equity shares no dividend has been paid by such company continuously for not less than three accounting years ending on the valuation date or on a date immediately before the valuation date, the market value of such shares shall be taken to be at the percentage indicated below, instead of 85% of the break-up value, namely :

No. of accounting years for which no dividend has been paid, ending on the valuation date or preceding the valuation date for which no dividend has been paid	Market Value
3 years	82.5% of the break up value
4 years	80% of the break-up value
5 years	77.5% of the break-up value
6 years and more	75% of the break-up value

In determining the break-up value of the shares, the following adjustments shall be made—

(1) **Amounts excluded from the assets side**—The following amounts shown in the assets side of the balance-sheet shall not be treated as assets, namely :

- (a) any amount paid as advance tax under section 18-A of the Income-tax, Act, 1922 or under section 210 of the Income-tax Act, 1961;
- (b) any amount shown in the balance sheet which does not represent the value of any asset, i.e., prepaid expenses. Similarly the debit balance of profit and loss account or profit and loss appropriation account shall also be excluded from the total assets.

(2) **Amounts excluded from the liabilities side**—The following amounts shown as liabilities in the balance-sheet shall not be treated as liabilities, namely :—

- (a) the paid-up capital in respect of equity shares (the paid-up capital pertaining to preference shares will be treated as liability);
- (b) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the valuation date at a general body meeting of the company;
- (c) reserves, by whatever name called, other than those set apart towards depreciation;
- (d) credit balance of the profit and loss account;
- (e) any amount representing provisions for taxation which is in excess of the tax payable on the book-profits of the company in accordance with the law applicable there to. Provision for payment of advance tax excluding the advance tax paid will be treated as a liability.
- (f) any sum representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.

Example 1 :

The following is the balance-sheet of a limited company whose shares are not quoted on any recognised stock-exchange. Calculate the market value of the share.

Balance Sheet as at 31st March, 1978

LIABILITIES	AMOUNT Rs.	ASSETS	AMOUNT Rs.
Share Capital : 6,000 Equity shares of Rs. 100 each	6,00,000	Fixed Assets	6,00,000
Reserves & Surplus	1,50,000	Current Assets	5,00,000
Secured Loans	2,50,000	Loans & Advance	1,00,000
Unsecured Loans	40,000		
Current Liabilities : Sundry creditors 1,00,000			
Proposed dividend 60,000	1,60,000		
Total	12,00,000	Total	12,00,000

The dividend was declared on the equity shares at a general body meeting of the company held after the valuation date.

Solution :—

Total value of the assets as per balance-sheet					Rs.	12,00,000
Less—Liabilities shown in the Balance Sheet	Rs.	12,00,000				
Deduct the followings from the liabilities						
—Equity share capital	Rs.	6,00,000				
—Reserve & surplus	Rs.	1,50,000				
—Proposed dividend	Rs.	60,000	Rs.	8,10,000	Rs.	3,90,000
			Net assets	Rs.		8,10,000

$$\text{Break-up value of each equity share} = \frac{8,10,000}{6,000} = \text{Rs. } 135.00$$

$$\begin{aligned} \text{Market value of each equity share} &= 85\% \text{ of the break-up value} \\ &= \frac{85 \times 135}{100} = \text{Rs. } 114.75 \end{aligned}$$

(b) **Valuation of unquoted equity shares of investment companies other than those which are substantially holding companies :** Investment company is a company whose total income consists mainly of income which, if it had been the income of an individual, would be regarded as unearned income. Banking and insurance companies will not be treated as investment companies.

The fair market value of the unquoted equity shares of investment companies shall be the average of (a) the break-up value of the shares based on the book value of the assets and liabilities disclosed in the balance-sheet, and (b) the capitalised value arrived at by applying a rate of yield of 9% of its maintainable profits. Maintainable profits of a company should be calculated as under :—

- (i) the book profits of the company for the five years immediately preceding the valuation date will be ascertained;
- (ii) adjustments will be made to the book profits of each of the said five years for all non-recurring and extraordinary items of income and expenditure and losses;
- (iii) adjustments will be made for expenditures, which are not of a revenue nature and are debited in the accounts and for receipts which are revenue receipts and are not accounted for in the profit and loss account;
- (iv) the development rebate, in case it is debited in the books of account, will be added back;
- (v) the appropriate tax liability of the company on the book profits so determined will be deducted;
- (vi) the profits required for paying dividends on shares with prior rights, *i. e.*, preference shares, shall be excluded;
- (vii) the average of the company's book profits, as adjusted above, will be determined.

The maintainable profits thus arrived at will be capitalised, as stated above, by adopting 9% rate of capitalisation.

Example :

X & Co. Ltd., an investment company being a company in which public are substantially interested (other than substantially holding company) whose shares are not listed in any recognised stock exchange. The Balance-Sheet as at 31.12.77 and Profit & Loss Account for the last five years are as under :—

X & CO. LTD.,

BALANCE SHEET AS AT 31st DECEMBER, 1977

Liabilities	Amount Rs.	Assets	Amount Rs.
SHARE CAPITAL		FIXED ASSETS	50,000
5,000, 8% Preference Shares of Rs. 100/- each	5,00,000	Investments	2,25,000
1,50,000 Equity Shares of Rs. 10/- each	15,00,000	Current Assets	16,00,000
		Loans & Advances	18,00,000
Reserves & surplus	5,50,000		
Secured Loans	8,00,000		
Unsecured Loans	2,00,000		
Current Liabilities & Provisions	1,25,000		
Total	36,75,000	Total	36,75,000

Profit and Loss Account

(for the last five years)

Particulars	31st Dec. 1973	31st Dec. 1974	31st Dec. 1975	31st Dec. 1976	31st Dec. 1977	Particulars	31st Dec. 1973	31st Dec. 1974	31st Dec. 1975	31st Dec. 1976	31st Dec. 1977
To Opening stock	1260000	1350000	1450000	1500000	1700000	By Sales	500000	150000	260000	350000	500000
To Purchases	550000	210000	265000	515000	330000	By Closing Stock	1350000	1450000	1500000	1700000	1600000
To Establishment expenses	24000	26000	28000	30000	32000	By Interest	200000	220000	240000	230000	210000
To Director's Remuneration	6000	7000	8000	9000	9000	By Dividend	100000	150000	170000	180000	200000
To Travelling Expenses	2000	3000	3000	4000	4000	By Profit on sale of assets	NIL	NIL	20000	NIL	NIL
To Postage, Telegram & Telephone	2000	2000	3000	3000	3000						
To Stationery & Printing	2000	2000	3000	3000	3000						
To Advertisement	1000	NIL	1000	1500	NIL						
To Bank charges	1000	1000	1000	1500	2000						
To Interest on Loans	105000	115000	135000	125000	120000						
To Audit Fee	1000	1000	1000	1000	1000						
To Miscellaneous Expenses	3000	3000	4000	4000	5000						
To Embezzlement of money	NIL	NIL	25000	NIL	NIL						
To Depreciation	7000	6000	6000	5000	5000						
To Net Profit	186000	244000	257000	258000	296000						
	2150000	1970000	2190000	2460000	2510000		2150000	1970000	2190000	2460000	2510000

To calculate the fair market value of the equity Shares of the Company.

COMPUTATION OF CAPITALISED VALUE

(Computation of maintainable profits)

Net profit as per Profit & Loss Account	1,86,000	2,44,000	2,57,000	2,58,000	2,96,000
Add—Embezzlement of money	NIL	NIL	25,000	NIL	NIL
	<u>1,86,000</u>	<u>2,44,000</u>	<u>2,82,000</u>	<u>2,58,000</u>	<u>2,96,000</u>
Less—Profit on sale of assets	NIL	NIL	20,000	NIL	NIL
	<u>1,86,000</u>	<u>2,44,000</u>	<u>2,62,000</u>	<u>2,58,000</u>	<u>2,96,000</u>
Less—Income-tax liability on the profit so determined	72,765	88,935	92,400	86,625	1,01,640
	<u>1,13,235</u>	<u>1,55,065</u>	<u>1,69,600</u>	<u>1,71,375</u>	<u>1,94,360</u>
Less—Dividend on Preference Shares	40,000	40,000	40,000	40,000	40,000
	<u>73,235</u>	<u>1,15,065</u>	<u>1,29,600</u>	<u>1,31,375</u>	<u>1,54,360</u>
Total maintainable profit for the last five years			6,03,635		
Average profit			1,20,727		
Capitalised value @ 9% of average profit	= Rs.	$\frac{1,20,727 \times 100}{9}$	Rs. 13,41,411		
Capitalised value of one equity share	= Rs.	$\frac{13,41,411}{150,000}$	Rs. 8 — 94		

COMPUTATION OF BREAK UP VALUE

Total assets as per Balance Sheet		Rs. 36,75,000
Less—Liabilities		
Secured Loans	Rs. 8,00,000	
Unsecured Loans	Rs. 2,00,000	
Current Liabilities & Provisions	Rs. 1,25,000	Rs. 11,25,000
		<u>Rs. 25,50,000</u>
Less—Preference share capital		Rs. 5,00,000
		<u>Rs. 20,50,000</u>
Break-up value of assets		Rs. 1,50,000
Total number of equity shares		
Break-up value of each share	= Rs.	$\frac{20,50,000}{1,50,000}$ = Rs. 13.67
Fair Market value of each shares	= Rs.	$\frac{8.94 + 13.67}{2}$ = Rs. 11.30

(C) Valuation of unquoted equity shares of investment companies having wholly owned subsidiaries [C.B.D.T. Circular F. No. 319/16/73-W.T. dated 15-9-73]

The fair market value of unquoted shares of such companies will be determined as under :—

- (i) The value of a share of the parent investment company would have first to be determined on the basis that the parent investment company and its wholly owned subsidiary or subsidiaries were in fact one single company. This should be done by assimilating and consolidating the balance-sheets of the subsidiary companies with the balance-sheet of the parent investment company.
- (ii) "Maintainable profits" would have to be aggregated in respect of the parent investment company and its wholly owned subsidiary or subsidiaries. The capitalised value should then be arrived at by applying a rate of yield of nine per cent. to the aggregated "maintainable profits". The maintainable profits in respect of the parent investment company and its wholly-owned subsidiary company should be determined separately as per formula given above and then aggregated.

- (iii) The average of the value arrived at under (i) and (ii), above would be the fair market value of such shares.

(d) Valuation of unquoted shares of investment companies which are substantially holding companies but not having any 100% subsidiaries [C.B.D.T. Circular No. 2 (W.T.) of 1957 at 31-10-67 and F. No. 319, 16 (73-W.T.) dated 15-9-73]: An investment company (not having any 100% subsidiary company) whose assets to the extent of 50% or more consist of shares in companies controlled by it, will be treated as a holding company. The fair market value of the shares of such companies will be determined by adding a premium of ten per cent. to the value of the shares arrived at on the basis of investment companies other than those which are substantially holding companies.

(e) Valuation of unquoted equity shares of managing agency companies [C.B.D.T. Circular No. 2 (W.T.) of 1957 dated 31-10-1967] A managing agency company is a company, the entire income of which or any part thereof is derived by way of managing agency. In case of such companies the fair market value of shares will be the higher of the value arrived at according to (a) the break-up value method based on the book value of assets and liabilities disclosed in the balance-sheet and (b) capitalisation of income method. The capitalised value of managing agency commission income will be taken as the present (*that is discounted*) worth of the net income from this source for the unexpired term of managing agency. For the purpose from the maintainable managing commission income (*determined on the lines stated for calculation of maintainable profit for the purpose of determining the fair value of unquoted equity shares of investment companies given herein before*) the proportionate tax liability will be deducted and the net commission for the unexpired term of managing agency will be calculated. The present worth of this income will be determined with reference to a compound interest @ 6% per annum. A table showing the present worth of Re. 1 @ 6% rate of interest for years 1 to 20 is given below:—

TABLE

Present value of Re. 1 per annum at 6% interest

years	6% Compound interest	year	6% Compound interest
1	0.943	11	7.887
2	1.833	12	8.384
3	2.673	13	8.853
4	3.465	14	9.295
5	4.212	15	9.712
6	4.917	16	10.106
7	5.582	17	10.477
8	6.210	18	10.828
9	6.802	19	11.158
10	7.360	20	11.470

The maintainable non-commission income (*on the lines stated for calculation of maintainable profits for the purpose of determining the fair value of unquoted equity shares of investment companies given herein before*) will be capitalised at 10% of capitalisation. The aggregate of the capitalised value of non-commission income and the present worth of the net managing agency income will give the total value of the shares of the company. The value of each share will be arrived at by dividing the total capitalised value by number of shares.

PART-II

RATES OF LAST EIGHT YEAR

RATES OF INCOME-TAX for individuals, Hindu undivided families.

Unregistered firms and association of persons other than companies etc.

I N C O M E	A. Y. 1970-71	A. Y. 1971-72 to 1973-74	Assessment Year 1974-75		Assessment Year 1975-76		Assessment Year 1976-77		Assessment Year 1977-78	
			Individuals Unspeci- fied H.U.F. U.R.F. & A.O.P.	Specified H.U.F.	Individuals Unspeci- fied H.U.F. U.R.F. & A.O.P.	Specified H.U.F.	Individuals Unspeci- fied H.U.F. U.R.F. & A.O.P.	Specified H.U.F.	Individuals Unspeci- fied H.U.F. U.R.F. & A.O.P.	Specified H.U.F.
On the first Rs. 5,000	5%	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
On the next Rs. 1,000	10%	10%	10%	17%	NIL	NIL	NIL	NIL	NIL	NIL
On the next Rs. 2,000	10%	10%	10%	17%	12%	15%	NIL	NIL	NIL	NIL
On the next Rs. 2,000	10%	10%	10%	17%	12%	15%	17%	20%	15%	18%
On the next Rs. 5,000	17%	17%	17%	23%	15%	20%	17%	20%	15%	18%
On the next Rs. 5,000	23%	23%	23%	30%	20%	30%	20%	30%	18%	25%
On the next Rs. 5,000	30%	30%	30%	40%	30%	40%	30%	40%	25%	30%
On the next Rs. 5,000	40%	40%	40%	50%	40%	50%	40%	50%	30%	40%
On the next Rs. 10,000	50%	50%	50%	60%	50%	60%	50%	60%	40%	50%
On the next Rs. 10,000	50%	60%	60%	70%	50%	60%	50%	60%	40%	50%
On the next Rs. 10,000	60%	60%	60%	70%	60%	70%	60%	70%	50%	55%
On the next Rs. 10,000	60%	70%	70%	75%	60%	70%	60%	70%	50%	55%
On the next Rs. 10,000	65%	70%	70%	75%	70%	70%	70%	70%	55%	60%
On the next Rs. 20,000	65%	75%	75%	80%	70%	70%	70%	70%	55%	60%
On the next Rs. 1,00,000	70%	80%	80%	85%	70%	70%	70%	70%	60%	60%
On the next Rs. 50,000	70%	85%	85%	85%	70%	70%	70%	70%	60%	60%
On the balance	75%	85%	85%	85%	70%	70%	70%	70%	60%	60%

EXEMPTION LIMIT

For the A. Y. 1970-71

No income-tax shall be payable on a total income not exceeding the following limit in the case of a person, not being a non-resident :—

- (a) Rs. 7,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions namely :—
 - (i) that it has at least two members entitled to claim partition who are not less than eighteen years of age ; or
 - (ii) that it has least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family :
- (b) Rs. 4,000 in every other case.

For the A. Y. 1971-72 to 1973-74

No income-tax shall be payable on a total income not exceeding the following limit in the case of a person :—

- (a) Rs. 7,000 in the case of every Hindu undivided family which as at the end of previous year satisfies either of the following conditions namely :—
 - (i) that it has at least two members entitled to claim partition who are not less than eighteen years of age : or
 - (ii) that it has at least two members entitled to claim partition who are not lineally descended on from the other and who are not lineally descended from any other living member of the family ;
- (b) Rs. 5,000 in every other case.

MARGINAL RELIEF

Where total income is twenty thousand rupees or less, the income-tax payable shall not exceed 40% of the amount by which the total income exceeds the maximum limits not liable to tax.

In the case of an individual or a Hindu undivided family being a resident the income-tax computed at the rate hereinabove specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed :—

Classification	Assessment year		
	1970-71		1971-72 to 1977-78
	(1) Without dependent parent or with dependent parent not failing in (2) Rs.	(2) with dependent parent as per note given below* Rs.	
Unmarried individual	125	145	Nil
Married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener.	200	220	Nil
Married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family.	200	240	Nil
Married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparceners mainly supported from the income of such family.	240	260	Nil

***PARENT MAINTENANCE ALLOWANCE**—for the assessment year 1970-71 the parent maintenance allowance shall be available to an individual whose total income does not exceed Rs. 10,000 and who has during the previous year, incurred any expenditure for the maintenance of any one or more of his parents grand parents mainly dependent on him and the income of such parents or grand parents from all sources in respect of the previous year relevant to the assessment year does not exceed Rs. 1,000.

**Standard deduction of conveyance expenditure for salaried persons
(under section 16 (iv) 16 (i) of the income-tax Act, 1961)**

Category of conveyance	amount of standard deduction for every month or part of the month in respect of expenditure on travelling for the purpose of his employment			
	Assessment Year			
	1970-71 Rs.	1971-72 Rs.	1972-73 to 1974-75 Rs.	1975-76 to 1977-78
1. Motor cars : (owned by the assessee and used for the purpose of his employment)				1. If the employee is in receipt of a conveyance allowance or provided with a conveyance facility then he will be entitled to a deduction of Rs. 1,000 u/s 16 (i) from his salary income
(a) where the amount of salary during the previous year does not exceed Rs. 15,000	200	200	200	2. In other cases the deduction allowable will be as under :
(b) Where the salary exceed Rs. 15000 but does not exceed Rs. 25,000	200	200	200	On the first of Rs. 10,000 of salary income 20%
(c) Where the salary exceeds Rs. 25,000.	240	200	200	on the next of Rs. 15,000 of salary income 10%
2. Motor cycles, scooters or other moped: (owned by the assessee and used for the purpose of his employment)	50	60	75	The maximum deduction will be limited to Rs. 3,500.
3. Bicycles	5	35	50	
4. in any other case	at the discretion of I.T.O	35	50	

**RATES OF SURCHARGE ON INCOME-TAX for individuals, Hindu undivided families
Unregistered firms and Association of persons other than Companies**

Assessment years 1969-70 to 1971-72	Assessment years 1972-73 & 1973-74	Assessment year 1974-75	Assessment years 1975-76 to 1977-78
Sur charge @ 10% on the amount of income-tax computed at the rates given on page 1.	Sur-charge on the amount of income-tax computed at the rates given on page 1, calculated at the following rates, namely :- (a) where the total income does not exceed Rs. 15,000 10% (b) in any other case 15% provided that the amount of sur-charge payable shall, in no case, exceed the aggregate of the following sums namely :- (i) an amount calculated @ 10% on the amount of income-tax on a total income of Rs. 15,000; and (ii) 40% of the amount by which the total income exceeds Rs. 15,000.	(1) in case of individuals unspecified H. U. F., U R. F. & A. O. P. other than companies. Sur-charge on the amount of income-tax computed at the rates given on page 1, calculated at the following rates, namely :- (a) where the total income does not exceed Rs. 15,000 10% (b) in any other case 15% Provided that the amount of sur-charge payable shall, in no case, exceed the aggregate of the following sums, namely :- (i) an amount calculated @ 10% on the amount of income-tax on a total income of Rs. 15,000 and (ii) 40% of the amount by which the total income exceeds Rs. 15,000. (2) in case of specified Hindu undivided family sur-charge @ 15% on the amount of income-tax computed at the rates given on page 1	Sur-charge @ 10% on the amount of income-tax computed at the rates given on page 1

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DEDUCTIONS in respect of life insurance premia, contributions to provident fund, etc. u/s 80-A/80-C of the Income-tax Act, 1961.

Deduction in respect of life Insurance premia, contributions to provident fund, deposits in 10 year or 15 year account under the Post Office Savings Bank (Cumulative Time Deposit) Rules, 1959 and subscriptions to Public Provident Fund Scheme, 1968.

Assessment year	Qualifying amounts
1970-71 & 1971-72	30% of the gross total income or Rs. 15,000 in the case of the individuals and Rs. 30,000 in the case of Hindu undivided families or the amount actually paid; whichever is the least.
1972-73 to 1976-77	30% of the gross total income or Rs. 20,000 in the case of individuals and Rs. 30,000 in the case of Hindu undivided families or the amount actually paid; whichever is the least.

Amount of deduction	Assessment years 1970-71 & 1971-72	Assessment years 1972-73 & 1973-74	Assessment years 1974-75 & 1975-76	Assessment year 1976-77 & 1977-78
On the first Rs. 1,000 of qualifying amount	60%	100%	100%	100%
On the next Rs. 1,000 of qualifying amount	60%	50%	100%	100%
On the next Rs. 2,000 of qualifying amount	60%	50%	50%	100%
On the next Rs. 1,000 of qualifying amount	60%	50%	50%	50%
On the next Rs. 5,000 of qualifying amount	50%	40%	40%	50%
On the balance of qualifying amount	50%	40%	40%	40%

Conditions :

- (1) The life insurance premium and deposit in cumulative time deposit accounts in Post Office Savings Bank and subscription to public provident fund are paid out of the income chargeable to income-tax.
- (2) The premiums paid in excess of 10% of the capital sum assured do not qualify for deduction. The restriction of 10% does not apply to deferred annuity policy.
- (3) (i) in case of an individual, premiums are paid to effect or to keep in force a policy of an insurance on the life of the assessee or on the life of the wife or husband or any child of the assessee.

(ii) in case of a Hindu undivided family, the premiums are paid to effect or to keep in force a policy of an insurance on the life of any member of the family.
- (4) The employee's contributions to a recognised provident fund should not exceed 20% of his salary or Rs. 8,000, whichever is less.

RATES OF INCOME-TAX FOR REGISTERED FIRMS

INCOME OF REGISTERED FIRMS	A. Y. 1970-71 to 1974-75	A. Y. 1975-76 to 1977-78	
		Professional Firm	Business Firm
On the first Rs. 10,000 of total income	NIL	NIL	NIL
On the next Rs. 15,000 of total income	4%	4%	5%
On the next Rs. 25,000 of total income	6%	7%	7%
On the next Rs. 50,000 of total income	12%	13%	15%
On the balance of total income	20%	22%	24%

Note :—(1) Professional firm means firm having income at least 51% of total income from profession.
(2) Business firm means firm other than professional firms.

RATES OF SUR-CHARGE ON INCOME-TAX FOR REGISTERED FIRMS

Assessment years 1970-71 & 1971-72	Assessment year 1972-73 to 1974-75	Assessment years 1975-76 to 1977-78
(1) In the case of registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than 51% of such total income, a sur-charge calculated @ 10% of the amount of income-tax computed at the rates herein above specified. (2) In the case of any other registered firm, a sur-charge calculated @ 20% of the amount of income-tax computed at the rates herein above specified. and a special sur-charge calculated @ 10% on the aggregate of the following amounts, namely :-- (i) the amount of income-tax computed at the rates given above; and (ii) the amount of the sur-charge calculated at the rates given above in (1) or (2), as the case may be.	(1) In the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than 51% of such total income a sur-charge calculated @ 10% of the amount of income-tax computed at the rates herein above specified. (2) In the case of any other registered firm, a sur-charge calculated @ 20% of the amount of income-tax computed at the rates herein above specified. and a special sur-charge calculated @ 15% on the aggregate of the following amounts namely :-- (i) the amount of income-tax computed at the rates given above : and (ii) the amount of sur-charge calculated at the rates given above in (1) or (2) as the case may be.	Sur-charge @ 10% on the amount of income-tax computed at the rates given above.

RATES OF INCOME TAX AND SURCHARGE FOR CO-OPERATIVE SOCIETIES

Income	Assessment years 1970-71 & 1971-72	Assessment years 1972-73 to 1974-75	Assessment years 1975-76 to 1977-78
On the first Rs. 10,000 of total income	15%	15%	15%
On the next Rs. 10,000 of total income	25%	25%	25%
On the balance of total income	40%	40%	40%
Surcharge on Income-Tax			
Tax amount of Income-tax computed at the rate herein before specified shall be increased by a surcharge on such Income Tax	10%	15%	10%

INCOME-TAX ON COMPANIES

In the case of a domestic company (a company which has made the prescribed arrangements for the declaration and payments of dividends within India in accordance with the provisions of section 194) in which the public are substantially interested (widely held-a section 108 company)	Rate per cent.			
	Assessment years 1970-71 & 1971-72	Assessment year 1973-74	Assessment year 1973-74	Assessment years 1974-75 to 1977-78
Income-tax on total Income—				
(i) In a case where the total income does not exceed Rs. 50,000 of the total income	45	45	45	45
(ii) In a case where the total income exceeds Rs. 50,000, but does not exceed Rs. 1,00,000, of the total income	55	55	55	55
(iii) In a case where the total income exceeds Rs. 1,00,000 of the total income	55	55	55	55
Marginal relief—				
A. Y. 1970-71 to 1973-74				
In a case where the total income of the company exceeds Rs. 50,000, the income-tax payable shall not exceed the aggregate of—				
(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and (b) 80% of the amount by which its total income exceeds Rs. 50,000				
A. Y. 1974-75 to 1977-78				
In a case where the total income of the company exceeds Rs. 1,00,000, the income-tax payable shall not exceed the aggregate of—				
(a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and (b) 80% of the amount by which its total income exceeds Rs. 1,00,000				
Sur charge on income-tax				
The amount of income-tax computed at the rate herein before specified shall be increased by a sur-charge on such income-tax.	nil	2.5	5	5

Note :—Under Clause 2(1)(b) of the Finance (No. 2) Act 1977. It has been provided that where a company has in lieu of payment of sur charge in income-tax at a specified rate made a deposit during the Financial year commencing 1st April 1976, under the Companies Deposits (sur charge on income tax) scheme 1976 then the amount of surcharge payable by it shall be reduced by the amount of such deposit Applicable for A. Y. 1977-78 only.

INCOME-TAX ON COMPANIES

In the case of a domestic company a company which has made the prescribed arrangements for the declaration and payment of dividends within India in accordance with the provisions of section 194) In which the public are not substantially Interested (Closely held attracting the provisions of section 104 in specified cases)	Rate per cent				
	Assessment years 1970-71 & 1971-72	Assessment year 1972-73	Assessment year 1973-74	Assessment year 1974-75	Assessment years 1975-76 to 1977-78
Income-tax on total income---					
(1) In the case of an industrial company (a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining)					
(i) For A. Y. 1970-71 to A. Y. 1974-75					
(a) on the first Rs. 2,00,000 of total income	55	55	55	55	—
(b) on the next Rs. 8,00,000 of total income	55	55	60	60	—
(c) on the balance, if any, of the total income	60	60	60	60	—
(ii) For A. Y. 1975-76 to 1977-78					
(a) Where the total income does not exceed Rs. 2,00,000/-	—	—	—	—	55
(b) Where the total income exceeds Rs. 2,00,000/-	—	—	—	—	60
Marginal Relief —in a case where the total income exceeds Rs. 2,00,000/-the income tax payable shall not exceed the aggregate of					
(i) the income tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000/- for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and					
(ii) 80% of the amount by which its total income exceeds Rs. 2,00,000/-					
In any other case	65	65	65	65	65
Sur-charge on Income-tax					
The amount of income-tax computed at the rate herein-before specified shall be increased by a sur-charge on such income-tax.	nil	2.5	5	5	5

Note :—under clause 2 (1) (b) of the Finance (No 2) Act, 1977 it has been provided that where a company has in lieu of payment of sur-charge on income-tax at a specified rate made a deposit during the financial year commencing on 1st April 1976, under the companies Deposit (sur charge on income tax) scheme 1976 then the amount of sur charge payable by it shall be reduced by the amount of such deposit [Applicable for A. Y. 1977-78 only]

INCOME-TAX ON COMPANIES

In the case of a company other than a domestic company (a company which is neither an Indian company nor a company which has made prescribed arrangements for the declaration and payment of dividends within India)—a foreign company—

Income tax on total income—

(i) On so much of the total income as consists of—

- (a) royalties received from an Indian concern in pursuance of, an agreement made by it with the Indian concern after the 31st day of March 1961, but before the 1st day of April 1976 or
- (c) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February 1964, but before the 1st day of April, 1976
and where such agreement has, in either case been approved by the Central Government.

(ii) on the balance, if any, of the total income,

Sur-charge on income tax—

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge on such income-tax

Rate per cent.

A. Y. 1970-71 & 1971-72	A. Y. 1972-73	A. Y. 1973-74 to 1977-78
50	50	50
70	70	70
nil	2.5	5

Note :—under clause 2 (1) (b) of the Finance (No 2) Act 1977, it has been provided that where a company has in lieu of payment of surcharge on income-tax at a specified rate made a deposit during its financial year commencing on 1st April 1976, under the companies Deposit (surcharge on income tax) scheme; 1976 then the amount of sur charge payable by it shall be reduced by the amount of such deposit [Applicable for A. Y. 1977-78 only].

Under section 115 A of the Income-tax Act, 1961

In case of foreign companies special rates of income tax on income from dividends royalty and fees for technical services have been prescribed, with effect from 1st June 1976 which are as under :—

- (a) Income by way of dividend 25% of such income
- (b) Royalties or fees for technical services received by a foreign company from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of march 1976 and approved by the Central Government.
- (i) On income by way of royalty consisting of lump sum consideration for the transfer out side India of or imparting of information out side India in respect of any data, documentation, drawing or specification relating to any patent, invention model, design secret formula or process or trade mark or similar property 20% of such income
- (ii) on other income by way of royalty and an fees for technical services. 40% of such income

ADDITIONAL INCOME-TAX (PENAL TAXATION) ON THE UNDISTRIBUTED PROFITS & GAINS OF CERTAIN CLOSELY HELD COMPANIES

Under section 104 of the Income-tax Act an additional (penal) income-tax levied on certain closely held companies where in respect of any previous year the profits and gains distributed as dividends within the twelve months immediately following the expiry of that previous year are less than the statutory percentage of the distributable income of the company of that previous year.

Type of the company	Assessment Years 1969-70 to 1975-76	Assessment Years 1976-77 to 1977-78
Rates of additional Income-tax—		
(i) In the case of an Investment company.	50%	50%
(ii) In the case of a trading company.	37%	37%
(iii) In the case of any other company.	25%	25%
On the distributable income as reduced by the amount of the dividends actually distributed.		
Statutory percentage of the distributable income of the company—		
1. In the case of an industrial company [S. 109 (iii) (i)]	Nil	45%
2. In the case of a consultancy service company [Section 109 (iii) (i)]	60%	45%
3. In the case of an investment company other than an investment company carrying on industrial activities. [Section 109 (iii) (2)]	90%	90%
4. In the case of an Indian Company being partly industrial or partly consultancy service company [Section 109 (iii) (3)]		
(a) in relation to its industrial activities	Nil	45%
(b) in relation to its consultancy service activities	60%	45%
(c) in relation to the remaining part of its gross income		
(i) If it is an investment company or a company which satisfies the conditions specified in section 109 (iii) (4) (a)	90%	90%
(ii) in any other case	60%	60%
NOTE. —For A.Y. 1969-70 to A.Y. 1975-76, if the consultancy service company is a company covered u/s 109 (iii) (4) (a) then the statutory percentage will be 90% instead of 60%.		
5. In the case of any other company not referred to above—		
(a) in the case of a trading company whose “accumulated profits and reserves” not subjected to an order under section 104 exceed the paid-up capital of the company (including loan raised from shareholders) or the value of the fixed assets as shown in the books of the company whichever of these is greater [s. 109 (iii) (4) (a)]	90%	90%
(b) In the case of a non-trading company whose “accumulated profits and reserves” not subjected to an order under section 104 exceed twice the amounts of the paid-up capital of the company (including loan raised from shareholders) or the value of the fixed assets as shown in the books of the company, whichever of these is greater [section 109 (iii) (4) (a)].	90%	90%
(c) In any other case [s. 109 (iii) (4) (b)].	60%	60%

Assessment year 1969-70 to 1971-72	Assessment year 1972-73 to 1974-75	Assessment year 1975-76 to 1977-78
On the amount by which the chargeable profits exceed the amount of the statutory deduction ... 25%	Sur-tax shall be charged on the amount (hereinafter referred to as the chargeable amount) by which the chargeable profits exceed the amount of the statutory deduction at the following rates, namely:— (i) on so much of the chargeable amount as does not exceed 5% of the amount of capital as computed in accordance with the second Schedule ... 25% (ii) on the balance, if any, of the chargeable amount — 30%	Sur-tax shall be charged on the amount (hereinafter referred to as the chargeable amount) by which the chargeable profits exceed the amount of the statutory deduction at the following rates, namely:— (i) on so much of the chargeable amount as does not exceed 5% of the amount of capital as computed in accordance with the Second Schedule ... 25% (ii) on the balance, if any, of the chargeable amount — 40% Provided that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration and payments of dividends within India and (i) which is such a company as is referred to in section 108 of the Income-tax Act and (ii) whose paid-up share capital (subscribed and paid in cash) as on the last day of the previous year, is not less than 25% of the amount of the capital as computed under the Second Schedule to the Companies (Profits) Sur-tax Act, 1964 the aggregate of— (a) the amount of income-tax payable by the company in respect of its total income of the previous year under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under provisions of the said Act or the annual Finance Act, and (b) the amount of sur-tax computed in accordance with the foregoing provisions of this Schedule, exceeds the amount calculated at 70% of the total income of the company, the amount of such excess shall be deducted from the amount of sur-tax referred to in clause (b) above and the balance shall be the amount of the sur-tax payable by the company,

TAX ON CAPITAL GAINS IN CASE OF ASSESSEES OTHER THAN COMPANIES

Short Term Capital Gains (assessment years 1970-71 to 1977-78).

Short term capital gains are taxed at the same rate as other income. The same remains included in total income.

Long Term Capital Gains—Where the gross total income includes longterm capital gains, the following deductions are admissible for the purpose of computing the total income.

D uctions	Assessment Years 1970-71 to 1971-72	Assessment Years 1972-73 to 1974-75	Assessment Years 1975-76 to 1977-78
(a) In a case to have the gross total income (including capital gains) does not exceed Rs. 10,000 or to have the longterm capital gains does not exceed Rs 5000/-	The whole of such gain	The whole of such gain	The whole of such gain
(b) In any other case— (i) in respect of long-term capital gains relating to land or buildings or any rights therein	The first Rs 5000 of such gains plus 45% of the balance thereof	The first Rs 5000 of such gains plus 35% of the balance thereof	The first Rs 5000 of such gains plus 25% of the balance thereof
(ii) in respect of long-term capital gains relating to any other capital assets	The first Rs 5000 of such gains in so far as such deduction has not been availed of under clause (b) (1) above plus 65% of the balance thereof	The first Rs 5000 of such gains in so far as such deduction has not been availed of under clause (a) (1) above plus 50% of the balance thereof	The first Rs 5000 of such gains in so far as such deduction has not been availed of under clause (b) (1) above plus 40% of the balance thereof

TAX ON CAPITAL GAINS IN CASE OF COMPANIES

Short Term Capital Gains (for assessment years 1970-71 to 1977-78)

Short term capital gains are treated at par with the ordinary income and taxed in the same way as the other income of the company.

Long Term Capital Gains—the long term capital gains are taxed at the following rates—

	For A. Y. 1970-71 & 1971-72	For A. Y. 1972-73 & 1974-75	For A. Y. 1975-76 & 1976-77	For A. Y. 1977-78 & 1978-79
(a) Long term capital gains relating to land and building or any rights therein				
(i) in case of widely held companies having taxable income not exceeding rupees one lac other than long term capital gains	40%	45%	47%	40%
(ii) in other case	40%	45%	55%	50%
(b) Long term capital gains relating to other assets.	30%	35%	45%	40%

RATES OF WEALTH-TAX

Net wealth	Rate of tax	
	Assessment years 1969-70 & 1970-71	Assessment year 1971-72
In the case of every individual—		
On the first Rs. 100,000 of net wealth	nil	nil
On the next Rs. 400,000 of net wealth	0.5%	1%
On the next Rs. 500,000 of net wealth	1.0%	2%
On the next Rs. 500,000 of net wealth	2.5%	3%
On the next Rs. 500,000 of net wealth	2.5%	4%
On the balance of net wealth	3.0%	5%
In the case of every Hindu undivided family—		
On the first Rs. 2,00,000 of net wealth	nil	nil
On the next Rs. 3,00,000 of net wealth	0.5%	1%
On the next Rs. 5,00,000 of net wealth	1.0%	2%
On the next Rs. 5,00,000 of net wealth	2.5%	3%
On the next Rs. 5,00,000 of net wealth	2.5%	4%
On the balance of net wealth	3.0%	5%

Net wealth	Rate of tax				
	A. Y. 1972-73 & 1973-74	Assessment year 1974-75	Assessment Years 1975-76 to 1977-78		
	For individuals and H.U.F.	For individuals & un-specified H.U.F.	For specified H.U.F.	For individuals & un-specified H.U.F.	For Specified H.U.F.
In the case of every individual or Hindu undivided family—					
On the first Rs. 5,00,000 of net wealth	1%	1%	2%	1%	3%
On the next Rs. 5,00,000 of net wealth	2%	2%	3%	3%	4%
On the next Rs. 5,00,000 of net wealth	3%	3%	8%	4%	8%
On the balance of net wealth	8%	8%	8%	8%	8%
Exemption limit :					
No wealth-tax shall be payable where the net wealth does not exceed the following limit, namely :—					
(a) Rs. 1,00,000 in the case of an individual :					
(b) Rs. 2,00,000 in the case of Hindu undivided family.					
Marginal relief :					
The wealth-tax payable shall in no case exceed 10% of the amount by which the net wealth exceeds the limit not liable to tax (i.e., Rs. 1,00,000 in the case of an individual and Rs. 2,00,000 in the case of a Hindu undivided family)					

RATES OF ADDITIONAL WEALTH-TAX

In the case of every individual or Hindu undivided family where the net wealth of the individual or Hindu undivided family includes the value of any asset, being building or land, other than business premises) or any right in such building or land, situated in an urban area (such asset being hereinafter in this Part referred to as urban asset) on the total value of urban assets as computed in accordance with the rules under—	Assessment years 1969-70 to 1970-71	Assessment years 1971-72 to 1977-78
Paragraph B of the Schedule		
On the first Rs. 2,00,000 of the total value of urban assets	nil	nil
On the next Rs. 3,00,000 of the total value of urban assets	1%	nil
On the next Rs. 2,00,000 of the total value of urban assets	1%	5%
On the next Rs. 3,00,000 of the total value of urban assets	2%	5%
On the next Rs. 2,00,000 of the total value of urban assets	2%	7%
On the next Rs. 5,00,000 of the total value of urban assets	3%	7%
in the balance of the total value of urban assets	4%	7%

RATES OF GIFT-TAX

Value of all taxable gifts		Assessment year 1970-71	Assessment years 1971-72 to 1977-78
On the first Rs.	15,000 of the value of all taxable gifts	5%	5%
On the next Rs.	5,000 of the value of all taxable gifts	8%	5%
On the next Rs.	20,000 of the value of all taxable gifts	8%	10%
On the next Rs.	10,000 of the value of all taxable gifts	10%	10%
On the next Rs.	40,000 of the value of all taxable gifts	10%	15%
On the next Rs.	10,000 of the value of all taxable gifts	15%	15%
On the next Rs.	40,000 of the value of all taxable gifts	15%	20%
On the next Rs.	50,000 of the value of all taxable gifts	17.5%	20%
On the next Rs.	10,000 of the value of all taxable gifts	20%	20%
On the next Rs.	1,40,000 of the value of all taxable gifts	20%	25%
On the next Rs.	1,50,000 of the value of all taxable gifts	25%	25%
On the next Rs.	10,000 of the value of all taxable gifts	30%	25%
On the next Rs.	4,90,000 of the value of all taxable gifts	30%	30%
On the next Rs.	10,000 of the value of all taxable gifts	40%	30%
On the next Rs.	4,90,000 of the value of all taxable gifts	40%	40%
On the next Rs.	10,000 of the value of all taxable gifts	50%	40%
On the next Rs.	5,00,000 of the value of all taxable gifts	50%	50%
On the balance	of the value of all taxable gifts	50%	75%
Basic exemption u/s 5 (9)		Rs. 10,000/-	Rs. 5,000/-

RATES OF ESTATE DUTY

Principal Value	Rates applicable from 1st April, 1966 to - till date.
A. In the case of any property which passes or is deemed to pass on the date of the deceased---	
On the first Rs. 50,000 of the principal value of the estate	nil
On the next Rs. 50,000 " " " "	4%
On the next Rs. 1,00,000 " " " "	10%
On the next Rs. 1,50,000 " " " "	15%
On the next Rs. 1,50,000 " " " "	25%
On the next Rs. 5,00,000 " " " "	30%
On the next Rs. 5,00,000 " " " "	40%
On the next Rs. 5,00,000 " " " "	50%
On the balance of the principal value of estate	85%
B. In the case of shares or debentures held by the deceased in any such company as is referred to in section 20-A—	
(1) if the principal value of the shares or debentures does not exceed Rs. 5,000.	nil
(2) if the principal value of the shares or debenture exceeds Rs. 5,000.	7.5%

Note :—The Finance minister has announced in the Budget speech on 28-2-78 that the government is going to increase the exemption limit in case of estate duty from Rs. 50,000/- to Rs. 1,00,000/- after consultation with state governments.

SHARE MARKET QUOTATIONS FOR WEALTH TAX PURPOSES

CENTRAL GOVERNMENT SECURITIES

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NAME OF SCRIPT	Ex.	FOR VALUATION DATE			NAME OF SCRIPT	Ex.	FOR VALUATION DATE				
		Diwali	31-12-77	31-3-78			Diwali	31-12-77	31-3-78		
		S.V. 2034					S.V. 2034				
		Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
3.00% Non-Terminable	Bg	59.60	59.60	59.50	5.00% 1981 National Defence Bonds	C	96.95	96.95	96.95		
3.00% Paper	M	58.75	58.75	58.75	5.00% 1981 National Defence Bonds	Bg	99.10	99.10	99.20		
3.00% Non-Terminable	C	58.50	58.50	59.00	5.00% 1982	D	98.35	98.35	98.35		
3.00% Non-Terminable	B	59.60	59.00	59.50	5.00% 1982	Bg	98.80	98.75	98.85		
3.00% 1986 or later	M	60.00	60.00	60.00	5.00% 1982	B	98.75	98.75	98.95		
3.00% 1986 or later	Bg	60.00	60.00	60.00	5.00% 1982 Loan	C	98.30	98.80	98.80		
3.00% 1986 or later (Con 1946)	B	60.00	60.00	60.00	5.00% 1982	M	98.40	98.65	98.78		
3.00% 1986 Loan	C	59.95	60.03	59.95	5.00% 1983	D	97.70	97.70	97.70		
4.00% 1979	M	98.02	98.02	98.00	5.00% 1983	M	97.70	97.70	97.70		
4.00% 1979	B	98.20	98.20	98.45	5.00% 1983	B	98.00	99.00	98.30		
4.00% 1979	D				5.00% 1983 Loan	C	97.90	97.90	98.40		
4.00% 1979 Loan	C	98.00	98.00	98.00	5.00% 1983	Bg	98.00	98.00	98.25		
4.00% 1979	Bg	98.20	98.20	98.45	5.00% 1984	M	97.10	97.10	97.10		
4.00% 1980	M	96.55	96.55	96.85	5.00% 1984	D	97.05	97.05	97.05		
4.00% 1980	Bg	96.05	96.95	97.10	5.00% 1984	Bg	97.20	97.20	97.60		
4.00% 1980	B	96.05	96.95	97.25	5.00% 1984	B	97.25	97.20	97.70		
4.00% 1980 Loan	C	96.35	96.95	96.95	5.00% 1984 Loan	C	95.15	95.15	95.15		
4.00% 1980	D	96.15	96.15	96.15	5.25% 1978	M	100.00	100.00	100.00		
4.00% 1981 Loan	C	95.15	95.85	95.85	5.25% 1978	C	100.05	100.05	100.05		
4.00% 1981	D	94.95	94.95	94.95	5.25% 1978	B	100.35	100.15	100.15		
4.00% 1981	B	95.85	95.85	95.80	5.25% 1978	Bg	100.35	100.15	100.15		
4.00% 1981	M	96.32	96.32	96.32	5.25% 1986	M	97.35	97.35	97.35		
4.00% 1981	Bg	95.85	95.85	96.20	5.25% 1986	D	97.25	97.25	97.25		
4.25% 1978 Loan	C	-	99.65	-	5.25% 1986	B	97.00	97.00	97.30		
4.50% 1977	D	100.10	100.10	100.00	5.25% 1986 Loan	C	97.15	97.15	97.15		
4.50% 1979 B.C. Bonds	M	100.00	100.00	100.00	5.25% 1986	Bg	97.00	97.00	97.30		
4.50% 1979 B.C. Bonds	Bg	98.10	98.10	99.15	5.25% 1986 National Defence Bonds	C	96.80	96.80	96.80		
4.50% 1979	B	98.10	98.10	99.15	5.25% 1986 National Defence Bonds	M	95.30	95.30	95.30		
4.50% 1985	Bg	93.10	93.10	93.60	5.25% 1986 National Defence Bonds	B	96.50	96.80	97.20		
4.50% 1985 Loan	C	92.95	93.07	93.07	5.25% 1986 National Defence Bonds	Bg	96.75	96.80	96.80		
4.50% 1985	D	92.90	92.90	92.90	5.25% 1987	M	96.67	96.67	96.82		
4.50% 1985	M	93.10	93.10	93.10	5.25% 1987	D	96.55	96.55	96.55		
4.50% 1985	B	93.10	93.10	93.60	5.25% 1987	B	96.50	96.50	96.70		
4.50% 1985	B	91.95	91.95	92.50	5.25% 1987 Loan	C	96.50	96.50	96.80		
4.50% 1985	M	91.55	91.55	92.50	5.25% 1988 Loan	C	96.00	95.35	95.35		
4.50% 1986	Bg	91.95	91.95	92.50	5.25% 1987	Bg	96.50	96.50	96.70		
4.50% 1986	D	91.95	91.95	91.95	5.25% 1988	B	95.25	95.25	95.90		
4.50% 1986 Loan	C	91.75	91.75	92.35	5.25% 1988	M	96.00	96.00	96.00		
4.75% 1978 Loan	C	99.65	99.65	100.00	5.25% 1988	Bg	96.00	95.25	95.25		
4.75% 1978	B	100.20	100.15	100.35	5.50% 1982	C	99.50	99.50	99.50		
4.75% 1978	M	99.70	99.70	99.70	5.50% 1982	Bg	100.90	100.90	100.80		
4.75% 1978	Bg	100.20	100.15	100.35	5.50% 1982	M	100.55	100.95	100.80		
4.75% 1978	D				5.50% 1982	B	100.90	100.90	100.80		
4.75% 1979	Bg	99.45	99.45	99.65	5.50% 1985	D	99.60	99.60	99.60		
4.75% 1979 Loan	C	98.00	98.00	98.00	5.50% 1984	B	100.10	100.05	100.05		
4.75% 1979	D				5.50% 1984	C	100.00	100.00	100.00		
4.75% 1979	B	99.45	99.45	99.65	5.50% 1985	C	99.65	99.65	99.70		
4.75% 1979	M	98.02	98.02	98.02	5.50% 1984	M	99.50	99.50	99.50		
4.75% 1980	M	98.75	98.75	98.75	5.50% 1984	Bg	100.10	100.05	100.05		
4.75% 1980	D	98.60	98.60	98.60	5.50% 1985	B	99.60	99.65	99.80		
4.75% 1980	Bg	99.05	99.10	99.10	5.50% 1985	Bg	99.60	99.60	99.70		
4.75% 1980 Loan	C	96.95	96.95	96.95	5.50% 1985	M	99.77	99.77	99.82		
4.75% 1980 Loan	B	99.05	99.10	99.20	5.50% 1990	B	96.70	96.70	96.70		
4.75% 1981	B	98.40	98.40	98.60	5.50% 1990	M	96.62	96.82	96.87		
4.75% 1981	M	97.32	97.32	98.50	5.50% 1990 Loan	C	96.70	96.65	96.65		
4.75% 1981	D	97.90	97.90	97.90	5.50% 1990	Bg	96.70	96.70	96.70		
4.75% 1981	Bg	98.40	98.40	98.60	5.50% 1991	B	95.90	96.10	96.10		
4.75% 1981 - II	M				5.50% 1991	M	95.90	95.90	95.90		
4.75% 1989	B	91.05	91.05	91.05	5.50% 1991	C	95.75	96.00	96.00		
4.75% 1989	M	91.00	91.00	91.05	5.50% 1991	Bg	95.90	96.10	96.10		
4.75% 1989	D	90.80	90.80	90.80	5.50% 1992	Bg	95.15	95.15	95.15		
4.75% 1989	Bg	91.05	91.05	91.00	5.50% 1992 Loan	C	95.00	95.20	95.20		
4.75% 1989 Loan	C	90.90	91.00	90.85	5.50% 1992	B	95.15	95.15	95.35		
5.00% 1979	Bg	99.85	99.90	100.00	5.50% 1992	M	95.15	95.15	95.15		
5.00% 1979	M	99.75	99.90	99.85	5.50% 1995	M	92.07	92.07	92.07		
5.00% 1981 National Defence Bonds	M	98.77	98.77	99.32	5.50% 1995	B	94.00	93.65	93.60		
5.00% 1979	C	99.85	99.95	99.90	5.50% 1995	Bg	93.45	93.65	93.60		
5.00% 1979	B	99.85	99.90	100.00	5.50% 1995 Loan	C	93.35	93.55	93.55		
5.00% 1981 National Defence Bonds	D	98.65	98.65	98.65	5.50% 1999	M	90.75	90.75	90.75		
5.00% 1981 National Defence Bonds	B	99.10	99.10	99.00	5.50% 1999 Loan	C	89.90	89.90	89.90		

CENTRAL GOVERNMENT SECURITIES (Contd.)

NAME OF SCRIPT		Ex.	FOR VALUATION DATE			NAME OF SCRIPT		Ex.	FOR VALUATION DATE		
			Dhruv S.V. 2034	31-12-77	31-3-78				Dhruv S.V. 2034	31-12-77	31-3-78
									Rs.	P.	Rs. P.
5.50%	1999	B	90.90	90.95	90.90	6.00%	1998	B	97.20	97.70	98.10
5.50%	1999	Bg	90.90	90.95	90.90	6.25%	1996	B	100.70	101.10	100.75
5.50%	1999 B.C. Bonds	Bg	90.70	90.80	91.10	6.25%	1996	M	100.45	100.45	100.87
5.50%	1999	B	90.70	92.20	91.10	6.25%	1996	Bg	100.70	101.00	100.80
5.50%	1999 B.C. Bonds	M	97.30	97.30	97.30	6.25%	1996	C	100.60	100.60	100.80
5.50%	2000	M	89.75	89.75	90.10	6.25%	1997	B	100.85	100.55	100.70
5.50%	2000	B	90.10	90.10	90.00	6.25%	1997	M	100.45	100.45	100.45
5.50%	2003	D	100.15	100.15	100.15	6.25%	1997	Bg	100.85	100.55	100.70
5.50%	2000 Loan	C	90.30	90.30	90.30	6.25%	1997 Loan	C	100.00	100.00	100.30
5.50%	2000	Bg	90.10	90.10	90.10	6.25%	1998	Bg	100.25	100.25	100.25
5.75%	2001	B	92.20	92.20	92.10	6.25%	1998	B	100.20	100.25	100.25
5.75%	2001	M	92.30	92.30	92.30	6.25%	1998	M	100.00	100.35	100.30
5.75%	2001	Bg	92.20	92.20	92.20	6.25%	1998	C	-	100.25	100.25
5.75%	2001 Loan	C	92.30	92.30	92.25	6.50%	1977 Gold Bonds	B	101.50	101.50	-
5.75%	2001 National Defence	C	92.05	92.05	92.05	6.50%	2000	C	101.50	101.50	101.55
5.75%	2001 National Defence	Bg	92.20	92.00	92.25	6.50%	2000	M	101.55	101.55	101.55
5.75%	2001 National Defence	M	91.70	91.70	91.70	6.50%	2000	B	101.50	101.20	101.75
5.75%	2001 National Defence	B	92.00	92.00	92.00	6.50%	2002	B	100.90	101.25	101.30
5.75%	2002	M	91.05	91.05	92.00	6.50%	2000	Bg	101.50	101.50	101.75
5.75%	2002	Bg	92.00	91.90	92.00	6.50%	2002	M	100.40	100.40	100.40
5.75%	2002	B	92.00	91.90	92.00	6.50%	2002	Bg	101.10	100.90	101.30
5.75%	2002	C	91.50	91.50	92.05	6.50%	2002	C	100.90	100.90	101.05
5.75%	2003	B	91.30	91.80	91.90	6.50%	2003	Bg	101.00	100.75	101.00
5.75%	2003	M	91.20	91.20	91.20	6.50%	2003	B	101.00	101.25	101.00
5.75%	2003	C	91.60	91.65	91.65	6.50%	2003 Loan	C	100.70	100.90	101.00
5.75%	2003	Bg	91.55	91.75	91.90	6.50%	2003 - II	C	100.20	100.20	100.20
6.00%	1988	B	101.00	101.00	101.00	6.50%	2003	M	100.50	100.05	101.05
6.00%	1988	M	102.10	101.10	101.07	6.50%	2004	Bg	100.65	100.85	101.00
6.00%	1988	Bg	101.00	101.00	101.00	6.50%	2004	B	-	-	101.10
6.00%	1988 Loan	C	101.00	101.00	101.00	6.50%	2004	M	100.47	100.47	100.47
6.00%	1993	M	99.65	99.65	99.65	6.50%	2004	C	100.50	100.70	100.75
6.00%	1993	Bg	99.90	99.90	99.70	6.50%	2005	Bg	100.50	100.50	100.60
6.00%	1993	B	99.90	99.60	99.60	6.50%	2005	M	100.62	100.65	100.65
6.00%	1993	D	99.45	99.45	99.45	6.50%	2005	C	100.55	100.70	100.60
6.00%	1993 Loan	C	99.70	99.60	99.63	6.50%	2005	B	-	-	100.60
6.00%	1993 - II	C	99.50	99.50	99.50	7.00%	1977 Gold Bonds	C	107.00	-	-
6.00%	1993 - III	C	99.55	99.55	99.55	7.00%	1977 Gold Bonds	Bg	101.50	-	-
6.00%	1993 - IV	M	99.85	99.72	99.65	7.00%	1977 Gold Bonds	M	100.20	100.20	-
6.00%	1994	B	99.10	99.15	99.30	7.00%	1980 Gold Bonds	B	106.30	105.50	106.50
6.00%	1994	C	99.20	99.35	99.35	7.00%	1980 Gold Bonds	M	104.85	104.85	104.85
6.00%	1994	M	99.25	99.42	99.40	7.00%	1980 Gold Bonds	Bg	106.30	106.30	106.50
6.00%	1994	Bg	99.20	99.15	99.30		1980 National Defence Gold Bonds	M	440.00	450.00	467.50
6.00%	1998	M	97.60	97.20	97.20		1980 National Defence Gold Bonds	B	443.00	445.00	405.00
6.00%	1998 Loan	C	97.55	98.00	97.65		1980 National Defence Gold Bonds	Bg	443.00	445.00	421.00
6.00%	1998	Bg	97.70	97.75	98.00		1980 National Defence Gold Bonds (10 gm)	C	363.00	363.00	420.00

STATE LOANS

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE						Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE					
			Diwali S.V. 2034		31-12-77		31-3-78					Diwali S.V. 2034		31-12-77		31-3-78	
			Rs.	P.	Rs.	P.	Rs.	P.				Rs.	P.	Rs.	P.	Rs.	P.
	ANDHRA PRADESH																
5.50%	1977	H	98.00	98.00	-			5.75%	1981	B	99.95	99.95	99.95				
5.50%	1978	B	100.10	100.10	100.10			5.75%	1981	C	100.60	100.60	100.60				
5.50%	1978	C	99.85	99.85	99.85			5.75%	1982	B	99.70	99.70	99.70				
5.50%	1978	M	99.55	100.10	100.10			5.75%	1982	C	98.90	98.90	98.90				
5.50%	1978	H	98.50	98.50	98.50			5.75%	1983	B	100.20	100.20	100.20				
5.50%	1978	Bg	100.10	100.10	100.10			5.75%	1984	B	99.95	99.95	99.95				
5.75%	1979	B	100.00	100.00	100.00			5.75%	1984	C	100.20	100.20	100.20				
5.75%	1979	C	99.75	99.75	99.75			5.75%	1985	B	100.00	100.00	100.00				
5.75%	1979	M	100.10	100.10	100.10			5.75%	1985	C	100.00	100.00	100.00				
5.75%	1979	H	98.25	98.25	98.25			6.00%	1984	B	99.75	99.75	99.75				
5.75%	1979	Bg	100.00	100.00	100.00			6.00%	1985	C	99.75	99.75	99.75				
5.75%	1980	B	99.65	99.65	99.65			6.00%	1985	B	99.85	99.85	99.85				
5.75%	1980	C	99.60	99.60	99.60			6.00%	1986	C	99.60	99.60	99.60				
5.75%	1980	M	100.10	100.10	100.10			6.00%	1986	B	99.75	99.75	99.75				
5.75%	1980	H	97.50	97.50	97.50			6.00%	1987	C	99.90	99.90	99.90				
5.75%	1980	Bg	99.65	99.65	99.65			6.00%	1987	B	99.60	99.60	100.10				
5.75%	1981	B	99.70	99.70	99.70			6.00%	1987	C	99.85	99.85	99.85				
5.75%	1981	C	99.40	99.40	99.40												
5.75%	1981	M	100.10	100.10	100.10				BIHAR								
5.75%	1981	H	97.50	97.50	97.50												
5.75%	1981	Bg	99.70	99.70	99.70			2.50%	Z.A.C. (April Series)	B	35.00	35.00	35.00				
5.75%	1982	B	99.60	99.60	99.60			2.50%	Z.A.C. (October Series)	B	37.00	37.00	37.00				
5.75%	1982	C	99.25	99.25	99.25			5.50%	1978	C	99.95	99.95	99.95				
5.75%	1982	M	99.50	99.50	99.50			5.50%	1978	B	99.95	100.10	100.10				
5.75%	1982	H	97.50	97.50	97.50			5.75%	1979	B	99.85	99.85	99.85				
5.75%	1982	Bg	99.60	99.60	99.60			5.75%	1979	C	99.75	99.80	99.80				
5.75%	1983	B	99.40	99.85	99.85			5.75%	1980	B	99.15	99.15	99.15				
5.75%	1983	C	99.15	99.15	99.15			5.75%	1980	C	99.05	99.60	99.55				
5.75%	1983	M	99.50	99.50	99.50			5.75%	1981	B	99.95	99.95	99.95				
5.75%	1983	H	99.35	99.35	99.50			5.75%	1981	C	98.95	98.95	98.95				
5.75%	1983	Bg	99.95	99.35	99.35			5.75%	1982	B	100.05	100.05	100.05				
5.75%	1984	B	99.50	99.50	99.50			5.75%	1982	C	99.40	99.40	99.40				
5.75%	1984	C	100.15	100.15	100.15			5.75%	1983	B	100.15	99.55	99.55				
5.75%	1984	Bg	99.50	99.50	99.50			5.75%	1983	C	99.25	99.25	99.25				
5.75%	1984	M	100.40	100.40	100.40			5.75%	1984	B	99.95	99.95	99.95				
5.75%	1984	H	97.50	97.50	97.50			5.75%	1984	C	98.75	98.75	98.75				
5.75%	1985	B	99.50	99.50	99.50			5.75%	1985	B	99.80	99.80	99.80				
5.75%	1985	M	99.30	99.30	99.30			5.75%	1985	C	99.10	99.10	99.10				
5.75%	1985	H	97.50	97.50	97.75			6.00%	1984	B	100.05	100.05	100.05				
5.75%	1985	Bg	99.50	99.50	99.50			6.00%	1984	C	99.85	99.85	99.85				
6.00%	1984	Bg	100.00	100.00	100.35			6.00%	1985	B	99.95	99.95	99.95				
6.00%	1984	C	99.90	99.90	99.90			6.00%	1985	C	99.85	99.85	99.85				
6.00%	1985	Bg	100.00	100.30	100.00			6.00%	1986	C	100.00	100.00	100.00				
6.00%	1985	C	99.80	99.80	99.80			6.00%	1986	B	99.70	99.70	99.70				
6.00%	1985	M	100.00	100.00	100.00			6.00%	1987	B	99.60	100.00	100.00				
6.00%	1984	B	100.00	99.90	100.35			6.00%	1987	C	99.75	99.85	99.90				
6.00%	1984	M	100.00	100.00	100.00												
6.00%	1984 - I	H	99.00	99.00	98.75				GUJRAT								
6.00%	1985	B	100.00	100.30	100.30												
6.00%	1985	H	99.85	99.85	98.75												
6.00%	1986 - I	H	99.85	99.85	99.85			5.50%	1978	B	100.15	100.50	100.50				
6.00%	1986 - II	H	99.85	99.85	99.85			5.50%	1978	C	98.60	98.60	98.60				
6.00%	1986	M	99.98	99.98	99.98			5.75%	1979	B	100.50	100.50	100.50				
6.00%	1986	C	100.00	100.00	100.00			5.75%	1979	C	100.05	100.05	100.05				
6.00%	1986	B	100.00	100.00	99.90			5.75%	1980	B	100.00	100.00	100.00				
6.00%	1986	Bg	100.00	100.00	100.00			5.75%	1981	B	100.30	100.40	100.70				
6.00%	1987	B	99.65	99.85	100.10			5.75%	1981	C	99.80	99.80	99.80				
6.00%	1987	M	99.87	99.87	100.10			5.75%	1982	B	100.10	100.10	100.20				
6.00%	1987	Bg	99.70	99.85	100.00			5.75%	1982	C	99.25	99.25	99.25				
								5.75%	1983	B	99.50	99.50	99.50				
								5.75%	1983	C	100.05	100.05	100.05				
								5.75%	1984	B	99.25	99.25	99.25				
								5.75%	1985	B	100.15	100.15	100.15				
								6.00%	1984	B	100.55	100.90	100.80				
								6.00%	1984	C	99.00	99.00	99.00				
6.00%	1987	C		99.90	99.95												
5.50%	1978	B	99.90	100.10	100.10			6.00%	1985	B	100.80	100.85	101.00				
5.75%	1979	B	100.15	100.15	100.15			6.00%	1986	C	99.60	99.60	99.60				
5.75%	1980	B	100.00	100.00	100.00			6.00%	1986	B	100.80	100.75	100.80				
5.75%	1980	C	100.65	100.65	100.65			6.00%	1987	B	100.05	100.15	100.15				

Note: — Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price =
Bangalore=Bg, Madhya Pradesh = Mp.

STATE LOANS (Contd.)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
Rs.			Rs.	P.	Rs. P.	Rs.			Rs.	P.	Rs. P.
HARYANA											
5.75%	1979	B	100.00	100.00	100.00	6.00%	1984	B	99.90	99.90	99.90
5.75%	1979	C	100.05	100.05	100.05	6.00%	1984	Bg	99.90	99.90	99.95
5.75%	1980	B	99.15	99.15	99.15	6.00%	1984 - II	M	99.50	99.50	99.50
5.75%	1981	B	99.95	99.95	99.95	6.00%	1984	M	99.50	99.50	99.50
5.75%	1982	B	99.95	99.95	99.95	6.00%	1985	B	99.90	99.90	100.00
5.75%	1982	C	100.10	100.10	100.10	6.00%	1985	M	99.85	99.85	99.85
5.75%	1983	B	100.15	100.15	100.15	6.00%	1985	Bg	99.90	99.90	100.00
5.75%	1983	C	100.05	100.05	100.05	6.00%	1985	C	99.80	99.80	99.80
5.75%	1984	B	99.95	99.95	99.95	6.00%	1986	M	99.85	99.85	99.85
5.75%	1984	C	100.15	100.15	100.15	6.00%	1986	Bg	99.90	99.90	99.95
5.75%	1985	B	100.00	100.00	100.00	6.00%	1986	B	99.90	99.90	99.90
5.75%	1985	C	100.10	100.10	100.10	6.00%	1987	B	99.60	99.90	99.90
6.00%	1984	B	100.20	100.20	100.20	6.00%	1987	M	99.50	99.50	100.10
6.00%	1984	C	99.65	99.65	99.65	6.00%	1987	Bg	99.60	99.60	100.15
6.00%	1985	B	100.10	100.10	100.15						
6.00%	1985	C	99.30	99.30	99.30		MADHYA PRADESH				
6.00%	1986	B	100.35	100.35	100.25	5.50%	1978	B	99.00	100.10	100.30
6.00%	1986	C	99.50	99.50	99.50	5.50%	1978	C	99.95	99.95	99.95
6.00%	1987	B	99.70	100.05	100.05	5.75%	1979	B	100.50	100.50	100.50
						5.75%	1979	C	99.75	99.75	99.75
						5.75%	1980	B	99.90	100.10	100.10
HIMACHAL PRADESH											
5.75%	1984	B	100.00	100.00	100.00	5.75%	1980	C	99.50	99.50	99.70
5.75%	1985	B	100.00	100.00	100.00	5.75%	1981	B	99.75	99.75	99.75
6.00%	1984	B	99.95	99.95	99.95	5.75%	1981	C	99.40	99.40	99.40
6.00%	1985	B	100.20	100.20	100.20	5.75%	1982	B	99.95	99.95	99.75
6.00%	1986	B	99.85	99.85	99.85	5.75%	1982	C	99.25	99.25	99.25
6.00%	1987	B	99.60	99.85	99.85	5.75%	1983	B	100.30	100.30	99.80
						5.75%	1983	C	99.25	99.25	99.25
						5.75%	1984	B	99.95	99.95	99.95
						5.75%	1984	C	98.70	98.70	98.70
						5.75%	1985	B	100.00	100.00	100.00
JAMMU AND KASHMIR											
5.75%	1985	B	100.00	100.00	100.00	5.75%	1985	C	99.90	99.90	99.90
6.00%	1984	B	99.95	99.95	99.95	6.00%	1984	B	100.00	100.00	100.00
6.00%	1985	B	99.85	99.85	99.85	6.00%	1984	C	99.85	99.85	99.85
6.00%	1986	B	99.85	99.85	99.85	6.00%	1985	B	99.90	100.50	100.50
6.00%	1987	B	99.60	99.60	99.60	6.00%	1985	C	99.90	99.90	99.90
KERALA											
5.50%	1978	B	100.00	100.10	100.10	6.00%	1986	C	99.85	99.85	99.85
5.50%	1978	C	98.60	98.60	98.60	6.00%	1986	B	99.90	99.95	99.95
5.50%	1978	M	99.75	99.75	100.15	6.00%	1987	B	99.90	100.00	100.35
5.50%	1978	Bg	100.00	100.10	100.10	6.00%	1987	C	-	-	99.90
5.75%	1979	B	100.10	100.10	100.10						
5.75%	1979	C	99.95	99.95	99.95	5.50%	1978	B	100.35	100.50	100.50
5.75%	1979	M	98.45	98.45	98.45	5.50%	1978	C	98.35	98.35	98.35
5.75%	1979	Bg	100.10	100.10	99.85	5.75%	1979	B	100.50	100.50	100.50
5.75%	1980	B	99.50	99.50	99.50	5.75%	1979	C	100.05	100.05	100.05
5.75%	1980	C	100.00	100.00	100.00	5.75%	1980	B	100.10	100.10	100.15
5.75%	1980	M	99.30	99.30	99.30	5.75%	1980	C	101.70	101.70	101.70
5.75%	1980	Bg	99.50	99.50	99.50	5.75%	1981	B	99.90	99.90	100.05
5.75%	1981	B	99.95	99.95	99.95	5.75%	1981	C	100.05	100.05	100.05
5.75%	1981	C	99.95	99.95	99.95	5.75%	1982	B	99.65	99.90	99.90
5.75%	1981	M	99.70	99.70	99.70	5.75%	1982	C	100.25	100.25	100.25
5.75%	1981	Bg	98.95	98.95	98.95	5.75%	1983	B	99.90	100.20	99.75
5.75%	1982	B	99.95	99.95	99.95	5.75%	1984	B	100.10	100.10	100.10
5.75%	1982	C	99.25	99.25	99.25	5.75%	1985	B	100.15	100.15	99.90
5.75%	1982	M	99.25	99.25	99.40	6.00%	1984	B	100.90	100.90	101.05
5.75%	1982	Bg	99.95	99.95	99.95	6.00%	1985	B	100.80	100.90	101.05
5.75%	1983	B	99.80	99.80	99.70	6.00%	1985	C	99.95	99.95	99.95
5.75%	1983	C	99.25	99.25	99.25	6.00%	1986	B	100.90	100.90	100.80
5.75%	1983	M	100.00	100.00	100.00	6.00%	1987	B	100.15	100.30	100.45
5.75%	1983	Bg	99.80	99.80	99.35						
5.75%	1984	B	99.95	99.95	99.95						
5.75%	1984	M	99.30	99.30	99.30	5.75%	1985	B	100.00	100.00	100.00
5.75%	1984	Bg	99.95	99.95	99.95	6.00%	1984	B	99.95	99.95	99.95
5.75%	1985	B	99.95	99.95	99.95	6.00%	1985	B	100.00	100.00	100.00
5.75%	1985	Bg	99.95	99.95	99.95	6.00%	1986	B	99.85	99.85	99.90
5.75%	1985	M	99.55	99.55	99.55	6.00%	1987	B	99.60	99.70	99.70

Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

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Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price = *
Bangalore=Bq, Madhya Pradesh =Mp.

STATE LOANS (Contd.)

Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
5.75% 1982		C	99.25	99.25	99.25		UTTAR PRADESH				
5.75% 1983		B	100.25	100.25	100.25						
5.75% 1983		C	99.25	99.25	99.25	2.50%	Z.R.C. Bonds (21 Collected)	B	15.00	15.00	15.00
5.75% 1984		B	99.95	99.95	99.95	2.50%	Z.A.C. Bonds	B	33.00	33.00	33.00
5.75% 1984		C	100.20	100.20	100.20	2.50%	A.Z.R.G. Bonds (22 Collected)	B	12.50	12.50	12.50
5.75% 1985		B	99.60	99.60	99.60	3.25%	E.E. Bonds	B	97.00	97.00	97.00
5.75% 1985		C	100.00	100.00	100.00	5.50%	1977	D	100.15	100.15	-
6.00% 1984		B	100.00	100.00	100.00						
6.00% 1984		C	99.60	99.60	99.60						
6.00% 1985		B	100.05	100.05	100.05	5.50%	1978	B	99.90	100.10	-
6.00% 1985		C	99.80	99.80	99.80	5.50%	1978	D	100.25	100.25	100.25
6.00% 1986		B	100.05	99.65	100.20	5.50%	1978	C	99.85	99.85	100.07
6.00% 1986		C	99.90	99.90	100.05	5.75%	1979	B	100.00	100.00	100.00
6.00% 1987		B	99.70	100.05	100.05	5.75%	1979	C	99.75	99.75	99.75
6.00% 1987		C	99.80	99.85	99.90	5.75%	1980	B	99.65	99.65	99.65
	TAMIL NADU					5.75%	1980	C	99.60	99.60	99.55
5.50% 1978		M	99.85	99.85	99.85	5.75%	1981	B	99.65	99.65	99.65
5.50% 1978		B	100.10	100.10	100.25	5.75%	1981	D	100.00	100.00	100.00
5.50% 1978		C	98.90	100.25	98.90	5.75%	1981	C	99.40	99.45	99.45
5.50% 1978		Bg	99.85	100.10	100.45	5.75%	1982	D	100.00	100.00	100.00
5.75% 1979		M	99.50	99.50	99.80	5.75%	1982	B	99.50	99.50	99.50
5.75% 1979		B	99.85	99.95	99.95	5.75%	1982	C	99.40	99.40	99.45
5.75% 1979		C	99.80	99.80	99.80	5.75%	1983	D	100.25	100.25	100.25
5.75% 1979		Bg	99.85	99.95	100.15	5.75%	1983	B	99.50	99.50	99.50
5.75% 1980		C	99.20	99.20	99.00	5.75%	1983	C	99.20	99.20	99.20
5.75% 1980		M	99.00	99.00	99.00	5.75%	1984	B	99.95	99.95	99.95
5.75% 1980		B	99.60	99.60	99.60	5.75%	1984	C	99.70	99.70	99.70
5.75% 1980		Bg	99.60	99.60	99.60	5.75%	1984	D	99.95	99.95	99.95
5.75% 1981		C	99.50	99.50	99.50	5.75%	1985	B	99.50	99.50	99.50
5.75% 1981		Bg	99.65	99.65	99.70	5.75%	1985	C	99.10	99.10	99.10
5.75% 1981		M	99.25	99.25	99.25	5.75%	1985	D	100.00	100.00	100.00
5.75% 1981		B	99.65	99.65	99.75	6.00%	1984	B	100.10	100.10	100.20
5.75% 1982		M	99.40	99.40	99.40	6.00%	1985	B	100.00	100.00	100.15
5.75% 1982		B	99.95	99.95	99.95	6.00%	1984	C	99.90	99.90	99.90
5.75% 1982		C	99.30	99.30	99.30	6.00%	1985	D	100.25	100.25	100.25
5.75% 1982		Bg	99.95	99.65	99.95	6.00%	1985	C	99.90	99.90	99.90
5.75% 1983		M	99.75	99.75	99.75	6.00%	1986	D	100.25	100.25	100.25
5.75% 1983		C	99.25	99.25	99.25	6.00%	1986	B	99.85	100.05	99.90
5.75% 1983		B	100.00	100.00	99.75	6.00%	1986	C	100.00	100.00	100.00
5.75% 1983		Bg	100.00	100.00	99.35	6.00%	1987	D	99.65	100.30	100.10
5.75% 1984		Bg	99.95	99.95	99.95	6.00%	1987	C	99.80	99.90	99.90
5.75% 1984		M	99.00	99.00	99.00		WEST BENGAL				
5.75% 1984		B	99.95	99.95	99.95	5.50%	1977	D	100.35	100.35	100.35
5.75% 1984		C	100.20	100.20	100.20	5.50%	1978	B	100.00	100.10	-
5.75% 1985		M	100.17	100.17	100.17	5.50%	1978	C	100.05	100.05	100.25
5.75% 1985		B	100.00	100.00	100.00	5.75%	1979	B	99.75	99.75	99.75
5.75% 1985		Bg	100.00	100.00	100.00	5.75%	1979	C	99.65	99.75	99.85
5.75% 1985		B	99.80	99.95	99.95	5.75%	1980	C	99.55	99.55	99.55
5.75% 1985		Bg	99.85	99.85	99.85	5.75%	1980	B	99.60	99.60	99.60
6.00% 1984		M	100.05	100.05	100.10	5.75%	1981	C	99.35	99.35	99.35
6.00% 1985		B	99.85	99.85	99.85	5.75%	1981	B	99.40	99.40	99.40
6.00% 1985		C	100.00	100.00	100.00	5.75%	1982	C	99.25	99.25	99.25
6.00% 1985		M	100.11	100.11	100.10	5.75%	1982	B	100.00	100.00	100.00
6.00% 1985		C	99.55	99.55	99.95	5.75%	1983	B	100.05	100.05	100.05
6.00% 1986		C	99.60	99.60	99.60	5.75%	1983	C	99.45	99.45	99.45
6.00% 1986		B	99.85	99.65	99.65	5.75%	1984	C	99.30	99.30	99.30
6.00% 1986		Bg	99.85	99.65	99.65	5.75%	1984	B	99.95	99.95	99.95
6.00% 1986		M	100.00	100.00	100.10	5.75%	1985	C	99.15	99.15	99.15
6.00% 1987		M	99.90	100.00	100.10	5.75%	1985	B	99.95	99.95	99.95
6.00% 1987		B	100.00	100.00	100.10	6.00%	1984	C	100.15	100.15	100.20
6.00% 1987		Bg	100.00	99.60	99.60	6.00%	1984	B	99.85	99.85	99.85
6.00% 1987		C	-	99.85	99.90	6.00%	1985	B	99.80	99.80	99.80
	TRIPURA					6.00%	1985	C	100.15	100.20	100.25
6.00% 1984		B	99.60	99.60	99.60	6.00%	1986	C	100.15	100.20	100.25
6.00% 1985		B	100.00	100.00	100.00	6.00%	1986	B	99.75	99.75	99.75
6.00% 1986		B	99.85	99.85	99.90	6.00%	1987	B	99.60	100.30	100.30
6.00% 1987		B	99.60	99.60	99.60	6.00%	1987	C	100.05	100.15	100.15

Note: —Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp

CORPORATION BONDS

21

Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
	A. P. ELECTRICITY BOND										
5.75%	1977	H	96.00	96.00	-	4.50%	1958-88	C	98.25	98.25	98.25
5.75%	1977	M	90.00	-	-	5.00%	1923-53-83	C	86.50	86.50	86.50
5.75%	1978	M	98.80	98.80	98.80	5.75%	1970-80	C	98.50	98.50	98.50
5.75%	1978	H	97.00	97.00	97.00	5.75%	1969-79	C	97.50	97.50	97.50
6.00%	1979	B	99.15	99.15	99.15	6.00%	1969-81	C	98.02	98.02	98.02
6.00%	1979	M	99.75	99.75	99.75	6.50%	1921-81	C	144.00	144.00	144.00
6.00%	1979	H	99.00	99.00	99.00	5.00%	1924-58-84	C	86.50	86.50	86.50
6.00%	1980	B	99.55	99.55	99.55		CALCUTTA MUNICIPAL				
6.00%	1980	M	98.60	98.60	98.60	4.00%	1985	C	99.50	99.50	99.50
6.00%	1980	H	99.00	99.00	99.00		GUJRAT ELECTRICITY BOARD				
6.00%	1981	B	100.00	100.00	100.00	5.75%	1978	B	100.00	100.00	-
6.00%	1981	M	99.70	99.70	99.70	5.75%	1978	A	100.00	100.00	-
6.00%	1981	H	99.00	99.00	99.00	5.75%	1978 - II	A	100.00	100.00	-
6.00%	1982	M	99.90	99.90	99.90	6.00%	1979	B	100.20	100.20	100.20
6.00%	1982	H	99.00	99.00	99.00	6.00%	1979	A	100.20	100.20	100.20
6.00%	1983	M	99.60	99.60	99.60	6.00%	1980	B	100.00	100.00	100.00
6.00%	1983	H	99.00	99.00	99.00	6.00%	1980	A	100.00	100.00	100.00
6.00%	1984	M	99.85	99.85	99.85	6.00%	1981	B	100.00	100.00	100.00
6.00%	1984	H	99.00	99.00	99.00	6.00%	1981	A	100.00	100.00	100.00
6.00%	1985	M	99.75	99.75	99.75	6.00%	1982	B	99.90	99.90	99.90
6.00%	1985	H	100.00	100.00	100.00	6.00%	1982	A	99.90	99.90	99.90
6.00%	1985 - II Series	M	99.75	99.75	99.75	7.00%	GOLD BONDS (1980)	A	106.25	105.50	105.50
6.25%	1984	H	100.00	100.00	100.00		NATIONAL DEFENCE GOLD BONDS 1980	A	428.00	445.00	445.00
6.25%	1984	M	98.85	98.85	98.85	6.50%	Gold Bond 1977	A	101.50	-	-
6.25%	1985	H	100.25	100.25	100.25		HARYANA STATE ELECTRICITY BOARD BOND				
6.25%	1985	M	98.85	98.85	98.85	6.00%	1979	C	99.75	99.75	99.75
6.25%	1986	M	98.85	98.85	98.85	6.00%	1980	C	99.75	99.75	99.75
6.25%	1986	H	100.25	100.25	100.25		INDUSTRIAL FINANCE CORPORATION				
6.25%	1987	H	100.25	100.25	100.25	5.50%	1978	M	98.50	98.50	98.50
6.25%	1987	M	-	98.85	100.06	5.50%	1978	B	100.50	100.00	-
	ASSAM ELECTRICITY BOARD BOND					5.50%	1978	C	99.45	99.45	99.45
6.00%	1981	C	99.95	99.95	99.95	5.50%	1978	M	99.55	99.55	99.55
	BANK COMPENSATION BONDS					5.75%	1979	B	99.80	99.70	99.70
5.50%	1999	C	97.50	97.50	97.50	5.75%	1979				
	BIHAR STATE ELECTRICITY BOARD BOND					5.75%	1980	M	100.00	100.00	100.00
6.00%	1982	C	98.75	98.75	98.75	5.75%	1980	B	99.75	99.60	99.65
	BOMBAY MUNICIPAL					5.75%	1981	C	99.40	99.40	99.40
3.25%	1977	B	-	-	-	5.75%	1981	M	100.00	100.00	100.00
3.25%	1979	B	93.50	93.50	93.50	5.75%	1981	C	99.35	99.35	99.35
4.00%	1970 or later	B	96.25	96.25	96.25	5.75%	1982	B	99.10	99.10	99.55
5.75%	1977	B	99.90	99.90	-	5.75%	1982	M	100.00	100.00	100.00
5.75%	1978	B	99.85	99.80	100.25	5.75%	1982	C	99.60	99.60	99.60
6.00%	1979	B	98.00	99.70	99.70	5.75%	1982	B	99.00	99.00	99.45
6.00%	1980	B	99.00	99.50	99.50	5.75%	1983	M	100.00	100.00	100.00
6.00%	1981	B	99.10	99.10	99.10	5.75%	1983	B	99.75	99.75	99.35
6.00%	1982	B	99.00	99.50	99.85	5.75%	1984	M	99.75	99.75	99.75
6.00%	1983	B	99.00	99.40	99.40	5.75%	1984	B	99.35	99.35	99.35
6.00%	1984	B	100.25	100.25	-	5.75%	1985	B	98.50	98.50	98.50
6.25%	1984	B	99.50	99.50	-	5.75%	1985	M	100.00	100.00	100.00
6.25%	1985	B	99.75	99.75	99.75	5.75%	1985	M	-	-	-
	BOMBAY PORT TRUST					6.00%	1981	C	-	-	-
4.00%	1970 or later	B	99.25	99.25	99.25	6.00%	1984	M	98.85	98.85	98.85
	CALCUTTA PORT TRUST DEBENTURES					6.00%	1984	C	99.15	99.15	99.15
3.00%	1948-78	C	80.25	80.25	80.25	6.00%	1984	B	99.80	99.80	99.80
3.00%	1921-81	C	79.90	79.90	79.90	6.00%	1985	M	99.50	99.50	99.50
3.00%	1951-81	C	82.25	82.25	82.25	6.00%	1985 - II	C	99.55	99.55	99.38
3.00%	1954-2005	C	56.00	56.00	56.00	6.00%	1985 - II	B	99.05	99.05	99.05
3.00%	1946-2006	C	56.50	56.50	56.50	6.00%	1986	M	99.20	99.20	99.20
4.00%	1926-56-86	C	94.75	94.75	94.75	6.00%	1986	C	99.80	99.80	99.80
4.00%	1956-86	C	99.00	99.00	99.00	6.00%	1986	B	99.50	99.50	99.25
4.00%	1931-91	C	70.50	70.50	70.50	6.00%	1986 - II	M	99.00	99.00	99.00
						6.00%	1986	B	99.15	99.15	99.15
						6.00%	1986 - II	C	99.60	99.60	99.60
								B	99.15	99.50	99.20

Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Banglore=Bg, Madhya Pradesh =Mp.

CORPORATION BONDS (Contd)

Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
6.00%	1986 - III	B	99.15	99.50	99.20		MAHARASHTRA STATE DEVELOPMENT CORPORATION				
6.00%	1986 - II	C	99.65	99.65	99.65						
6.00%	1986 - II	M	99.15	99.15	99.15	5.75%	1977	B	99.95	99.95	-
6.00%	1986 - III	C	99.50	99.50	99.50	5.75%	1978	B	99.80	99.80	-
6.00%	1986 - III	M	99.00	99.00	99.00	6.00%	1979	B	99.00	99.00	99.00
						6.00%	1980	B	99.75	99.80	99.80
6.00%	1987	B	-	-	99.00		MAHARASHTRA STATE INDUSTRIAL INVESTMENT CORPORATION				
6.00%	1987	M	99.00	99.00	99.00						
6.00%	1987	C	-	99.40	99.70						
	KERALA STATE ELECTRICITY BOND					5.75%	1978	B	99.95	99.95	-
6.00%	1981	M	99.60	99.60	99.60	6.00%	1980	B	100.00	100.00	100.00
6.00%	1982	M	99.60	99.60	99.60	6.00%	1981	B	100.00	100.00	100.00
6.00%	1983	M	99.60	99.60	99.60	6.00%	1984	B	99.90	99.90	99.90
6.00%	1984 - I Series	M	99.05	99.05	99.05	6.25%	1985	B	100.50	100.50	100.50
6.00%	1984 - II Series	M	99.75	99.75	99.75	6.00%	1986 'A'	B	100.10	100.10	100.10
						6.00%	1986 "A"	B	100.10	100.10	100.10
6.25%	1984	M	98.85	98.85	98.85		MYSORE STATE ELECTRICITY BOND				
6.00%	1985 - I Series	M	99.75	99.75	99.75						
6.00%	1985 - II Series	M	99.75	99.75	99.75	6.00%	1981	C	100.00	100.00	100.00
6.00%	1985 - III Series	M	99.75	99.75	99.75		MADHYA PRADESH ELECTRICITY BOARD				
6.25%	1985 - I Series	M	98.85	98.85	98.85						
6.25%	1986 - I	M	98.85	98.85	98.85	6.00%	1981	M	99.50	99.50	99.50
6.25%	1986 - II	M	98.85	98.85	98.85	6.00%	1981	B	99.60	100.00	100.00
6.25%	1987 - I Series	M	98.85	100.00	100.00	6.00%	1982	M	99.50	99.50	99.50
	KARNATAK ELECTRICITY BOND					6.00%	1982	B	99.90	99.90	99.90
5.75%	1977	M	90.70	90.70	-	6.00%	1982 - II Series	M	99.75	99.75	99.75
5.75%	1978	M	98.42	98.42	98.42	6.00%	1982 - II Series	C	98.75	98.75	98.75
6.00%	1979	M	99.60	99.60	99.60	6.00%	1983	B	99.65	99.65	99.65
6.00%	1980	M	100.00	100.00	100.00	6.00%	1983	M	99.75	99.75	99.75
6.00%	1981	M	99.35	99.35	99.35	6.00%	1983 - II Series	B	99.85	99.85	99.85
						6.00%	1983 - II Series	M	99.75	99.75	99.75
6.00%	1982	M	99.90	99.90	99.90	6.00%	1984	M	99.75	99.75	99.75
6.00%	1983 - I Series	M	99.30	99.30	99.30	6.00%	1984 - I Series	M	99.75	99.75	99.75
6.00%	1983 - II Series	M	99.75	99.75	99.75	6.00%	1984	B	99.80	99.80	99.80
6.00%	1984 - I Series	M	99.75	99.75	99.75	6.00%	1984 - I Series	B	99.50	99.50	99.50
6.00%	1984 - II Series	M	99.75	99.75	99.75	6.00%	1985	M	99.75	99.75	99.75
						6.00%	1986	M	99.75	99.75	99.75
6.00%	1985	M	99.75	99.75	99.75	6.25%	1984	M	98.85	98.85	98.85
6.25%	1986	M	98.85	98.85	98.85	6.25%	1984	B	100.50	100.50	100.50
6.25%	1987	M	98.85	98.85	98.85	6.25%	1985	M	98.85	98.85	98.85
	MADRAS STATE ELECTRICITY BOND					6.25%	1985 - II Series	M	98.85	98.85	98.85
6.00%	1980	C	99.25	99.25	99.25	6.25%	1986	M	99.75	99.75	99.75
6.00%	1981	C	99.15	99.15	99.15	6.25%	1986 - II Series	M	98.85	98.85	98.85
	MAHARASHTRA ELECTRICITY BOARD BOND					6.25%	1986	B	100.50	100.50	100.50
5.75%	1977 Deb	B	100.25	-	-	7.50%	1983 (Rural)	M	100.00	100.00	100.00
5.75%	1978 Deb	B	100.10	100.10	-		ORISSA STATE ELECTRICITY BOARD				
5.75%	1978 - II	B	99.60	99.60	-	6.00%	1980	C	99.25	99.25	99.25
6.00%	1979	B	100.10	100.10	100.10	6.00%	1981	C	99.35	99.35	99.35
6.00%	1980	B	100.75	100.75	99.85		POONA MUNICIPALITY				
						5.75%	1977	B	98.80	-	-
6.00%	1980	C	99.25	99.25	99.25	5.75%	1978	B	99.85	99.85	-
6.00%	1980 - II	B	100.75	100.75	100.75	6.00%	1979	B	99.90	99.90	99.90
6.00%	1981	C	99.20	99.20	99.20	6.00%	1980	B	99.90	99.90	99.90
6.00%	1981	B	100.50	100.50	100.50	6.00%	1981	B	99.50	99.50	99.50
6.00%	1981 - III	B	99.50	100.40	100.50		RAJASTHAN STATE ELECTRICITY BOND				
						6.00%	1981	C	99.80	99.80	99.80
6.00%	1982	B	99.60	99.60	99.80		TAMIL NADU ELECTRIC BOND				
6.00%	1983	B	100.50	100.00	100.00	5.75%	1978	M	99.80	99.80	-
6.00%	1984	B	100.40	100.40	100.40	5.75%	1979	M	99.55	99.55	99.55
6.00%	1985	B	100.00	100.00	99.80	6.00%	1980 - II Series	M	99.62	99.62	99.62
6.00%	1985 - II	B	99.75	100.40	100.40	6.00%	1980	M	100.00	100.00	100.00
						6.00%	1981	M	99.50	99.50	99.50
6.25%	1986	B	101.10	101.10	101.05	6.00%	1982	M	99.75	99.75	99.75
	MAHARASHTRA HOUSE BOARD					6.00%	1983	M	99.60	99.60	99.60
6.00%	1981	B	99.25	99.25	99.25	6.00%	1983 - II Series	M	99.50	99.45	99.45
6.25%	1984 - II	B	99.50	99.50	99.50	6.00%	1984	M	100.00	100.00	100.00
6.25%	1985 - IV	B	100.00	100.00	100.00	6.00%	1984 - II Series	M	99.25	99.25	99.25

Note: — Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg. Madhya Pradesh =Mp.

CORPORATION BONDS (Contd)

23

Paid up per share Rs.	NAME OF SCRIPT		FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT		FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
6.00%	1985	M	99.50	99.40	100.05	6.25%	1985 - I	M	98.85	98.85	98.85
6.25%	1984	M	100.00	100.00	100.00	6.25%	1985 - II	M	98.85	98.85	98.85
6.25%	1985	M	100.23	100.23	100.23	6.25%	1986 - I	M	99.75	99.75	99.75
6.25%	1985 - II Series	M	100.25	100.25	100.25	6.25%	1986 - II	M	98.85	98.85	98.85
6.25%	1986	M	99.95	99.95	99.95	6.25%	1986 - III	M	98.85	98.85	98.85
6.25%	1986 July Series	M	100.13	100.13	100.13	6.25%	1987 - I	M	98.85	98.85	98.85
6.25%	1986 - II Series	M	100.45	100.45	100.45						
6.25%	1987	M	100.25	100.25	100.25		U. P. ELECTRICITY BOARD				
6.25%	1987 - II	M	98.85	100.00	100.25	5.75%	1978	B	99.95	99.95	-
7.50%	1978 Rural	M	99.25	99.25	99.25	6.00%	1979	B	100.00	100.00	100.00
7.50%	1979 Rural	M	99.50	99.50	99.50	6.00%	1980	B	99.75	99.75	99.75
7.50%	1983 Rural	M	98.25	98.25	98.25	6.00%	1981 - I	B	99.90	99.90	99.90
						6.00%	1979	C	99.65	99.65	99.65
	TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION BONDS					6.00%	1981	C	98.75	98.75	98.75
5.75%	1978	M	99.80	99.80	99.80	6.00%	1981	C	99.20	99.20	99.20
6.00%	1980	M	99.80	99.80	99.80	6.25%	1986 - I	B	100.25	100.25	100.25
6.00%	1981	M	99.50	99.50	99.50						
6.00%	1981	M	99.65	99.65	99.65		WEST BENGAL STATE ELECTRICITY BOARD				
6.00%	1982	M	99.60	99.60	99.60	6.00%	1981	C	99.65	99.65	99.65
6.00%	1984	M	99.75	99.75	99.75	6.00%	1982	C	99.80	99.80	99.80
6.00%	1986	M	99.75	99.75	99.75	6.00%	1982	C	98.75	98.75	98.75
6.25%	1985	M	98.85	98.85	98.85	6.00%	1983	C	100.00	100.00	100.00
						6.00%	1984	C	99.50	99.50	99.50
	U. P. STATE ELECTRIC BONDS					6.00%	1985 - II	C	99.65	99.20	99.20
5.75%	1978	M	98.00	98.00	98.00	6.00%	1986	C	99.45	99.45	99.45
6.00%	1979	M	98.00	98.00	98.00	6.25%	1986 - II	C	100.20	100.20	100.20
6.00%	1980	M	98.00	98.00	98.00	6.25%	1984 - II	C	100.20	100.00	100.00
6.00%	1981 - I Series	M	98.00	98.00	98.00	6.25%	1987 - I	C	-	-	100.20
6.00%	1981 - II Series	M	99.50	99.50	99.50						
6.00%	1982 Special	M	99.50	99.50	99.50	6.00%	1985 - II	C	99.65	99.20	99.20
6.00%	1982 - I Series	M	99.75	99.75	99.75	6.00%	1986	C	99.45	99.45	99.45
6.00%	1983 - I Series	M	99.75	99.75	99.75	6.25%	1986 - II	C	100.20	100.20	100.20
6.00%	1983 - II Series	M	99.75	99.75	99.75	6.25%	1984 - II	C	100.20	100.00	100.00
6.00%	1984 - I Series	M	99.75	99.75	99.75	6.25%	1987 - I	C	-	-	100.20
6.00%	1984 - II Series	M	99.75	99.75	99.75						
6.00%	1985 - I Series	M	99.75	99.75	99.75	2.50%	U.P. Compensation	C	34.75	34.75	34.75
6.00%	1985 - II Series	M	99.75	99.75	99.75	2.50%	U.P. Compensation (Uncollected)	C	71.50	71.50	71.50
6.00%	1985 - III Series	M	99.75	99.75	99.75	3.25%	Do Rehabilitation Grand	C	20.00	20.00	20.00
6.25%	1984	M	98.85	98.85	98.85	3.00%	W.B.E.A.C. (1 collected)	C	68.50	68.50	68.50
						3.00%	Do 8 collected)	C	44.25	44.25	44.25
						3.00%	Do (3 collected)	C	62.50	62.50	62.50
						3.00%	Do (6 collected)	C	54.75	54.75	54.75

DEBENTURES

Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
	"A"					100	5.75% Andhra Pradesh C.C. Agr Dev	M	99.75	99.75	99.75
100	7.00% ACC "D"	B	83.00	83.00	83.00	100	6.00% -do-	M	99.75	99.75	99.75
100	8.00% Ahmedabad Advance	B	80.00	80.00	80.00	100	6.25% -do- I	M	98.70	98.70	98.70
100	7.75% Ahmedabad Electricity	A	80.00	80.00	80.00	100	6.25% -do- II	M	98.25	98.25	98.25
100	7.75% Ahmedabad Electricity	B	80.00	80.00	80.00	100	4.00% Andhra Pradesh (Rural)	M	100.00	100.00	100.00
100	8.00% Aluminium Industries	M	100.00	100.00	100.00	100	5.25% -do-	M	100.00	100.00	100.00
100	9.00% Amalgamated Electricity	B	75.00	75.00	75.00	100	6.25% -do-	M	100.00	100.00	100.00
100	9.50% Amalgamated Electricity	B	74.50	74.50	74.50	1000	7.75% Ashoka Leyland	M	970.00	970.00	970.00
1000	11.00% Andhra Foundry	M	1000.00	1000.00	1000.00	100	7.75% Associated Bearings	B	95.75	95.75	95.75
100	7.75% Andhra Valley - I	B	79.00	79.00	79.00	100	7.50% Auckland Jute	C	80.00	80.00	80.00
100	7.75% Andhra Valley - II, IV	B	83.00	83.00	83.00						
100	4.25% Andhra Pradesh C.C. Agr Dev	M	99.50	99.50	99.50		"B"				
100	4.50% -do-	M	99.00	99.00	99.00	100	7.75% Bengal Paper	C	93.00	93.00	93.00
100	4.75% -do-	M	100.00	100.00	100.00	100	10.00% Bharat Bijle Co.	B	106.50	106.50	106.50
100	5.00% -do-	M	98.00	98.00	98.00	1000	7.00% Binny "A"	M	960.00	960.00	960.00
100	5.25% -do-	M	99.50	99.50	99.50	1000	7.75% Binny "B"	M	990.00	990.00	990.00
						1000	7.75% Binny "C"	M	990.00	990.00	990.00

Note :- Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=°
Bangalore=Bg, Madhya Pradesh =Mp.

DEBENTURES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
Rs			Rs. P.	Rs. P.	Rs. P.	Rs			Rs. P.	Rs. P.	Rs. P.
100	7.75% Bombay Sub. Electric 75 'C'	B	97.00	97.00	-	100	6.00% Karnataka State Fin. Corp.	Bg	99.75	99.75	99.75
100	7.75% Bombay Sub. Electric 76 'D'	B	93.00	93.00	-	100	6.00% -do-	Bg	99.75	99.75	99.75
100	8.00% Bombay Sub. Electric 'E'	B	88.00	88.00	-	100	6.00% -do-	Bg	99.75	99.75	99.75
100	8.50% Bowreah Cotton Mills	C	-	100.00	100.00	100	6.00% -do-	Bg	99.75	99.75	99.75
100	7.75% Britannia Biscuit	C	97.50	97.50	97.50	100	6.00% -do-	Bg	99.75	99.75	99.75
100	8.00% Burrurur Coal	C	99.00	99.00	99.00	100	6.25% -do-	Bg	98.85	98.85	98.85
	"C"					100	6.25% -do- II Series	Bg	98.85	98.85	98.85
100	7.75% Calcutta Electric	C	84.00	84.00	84.00	100	4.50% Karnataka S.C.L.D.	M	100.00	100.00	100.00
100	4.50% Calcutta Tramways	C	90.00	90.00	-	100	6.25% -do-	Bg	-	-	98.85
100	6.00% Calcutta Tramways	C	90.00	90.00	-	100	6.25% -do-	M	100.00	100.00	100.00
100	8.00% Calico (Cont. Bond)	A	70.00	70.00	70.00	100	4.75% -do-	M	100.00	100.00	100.00
116	8.00% Calico (Red Bonds)	A	81.00	81.00	81.00	100	5.50% -do-	M	100.00	100.00	100.00
100	10.00% Camphor Con.	B	130.50	130.50	130.50	100	5.75% -do-	M	100.00	100.00	100.00
100	7.75% Camphor	B	78.00	78.00	78.00	100	6.00% -do-	M	100.00	100.00	100.00
1000	9.00% Chandramalai Estate	M	950.00	950.00	950.00	100	6.25% -do-	M	100.00	100.00	100.00
100	11.00% Chitavalash Jute	C	99.50	99.50	99.50	100	4.00% Karnataka S.C.L.D. (Rural)	M	100.00	100.00	100.00
100	7.00% Christian Mica	C	98.00	98.00	98.00	100	5.25% -do-	M	100.00	100.00	100.00
100	7.25% 'CIDCO' 1986 'D'	C	96.50	96.50	96.50	100	7.75% -do-	M	100.00	100.00	100.00
100	4.50% Clive Buildings	C	82.00	82.00	82.00	100	7.50% Kesoram Industries 75-78	C	92.00	92.00	92.00
100	6.00% Corporation of City of Bangalore	Bg	99.50	99.50	99.50	100	7.50% Kinnison Jute	C	92.00	92.00	92.00
	"D"					100	8.00% Kumardhubi Engineering	C	99.00	99.00	99.00
100	7.75% Dunlop India	C	98.00	98.00	81.75	100	7.75% Lakshmi Textile Mills	Bg	100.00	100.00	100.00
	"F"					100	7.75% Lakshmi Textile Mills	M	100.00	100.00	100.00
1000	7.75% Ferro Alloys 50% Const.	H	1000.00	1000.00	1000.00	22	8.00% Larsen & Toubro	B	16.00	16.00	16.00
500	7.75% Ferro Alloys	H	500.00	500.00	500.00	85	8.00% Larsen & Toubro	B	64.00	64.00	64.00
	"G"					1000	7.00% Larsen & Toubro	Bg	1000.00	1000.00	1000.00
100	7.00% Guest Keen Williams	C	100.00	100.00	100.00	1000	7.75% Larsen & Toubro	Bg	1000.00	1000.00	1000.00
100	7.75% Guest Keen Williams	C	95.00	95.00	95.00	22	8.00% Larsen & Toubro	Bg	16.25	16.00	16.00
	"H"					65	8.00% Larsen & Toubro	Bg	76.00	61.50	61.50
100	10.50% Hastings Mills	C	97.50	97.50	97.50	10	8.00% Macmillan (Conv)	M	9.95	9.95	9.95
100	7.75% Hindustan Lever	B	82.00	81.00	81.00	100	7.75% Macneill & Magore	C	65.25	65.25	65.75
100	7.75% Hindustan Lever	C	99.50	99.50	99.50	10	8.00% Mahindra & Mahindra (Conv)	B	3.65	3.80	3.80
1000	7.75% Hindustan Lever	M	1000.00	1000.00	1000.00	100	10.00% Mahindra Ugin (Con)	B	19.25	20.00	20.00
100	10.50% Hindustan Machine Tools	Bg	100.00	100.00	100.00	100	10.00% Mahindra Ugin (Con)	A	19.00	20.00	19.00
100	7.75% Howrah Mills (Jute)	C	93.50	93.50	93.50	100	10.50% Mahindra Ugin Non Con	B	84.00	84.00	84.00
	"I"					100	10.50% Mahindra Ugin (Non Con)	A	82.00	85.00	84.25
1000	8.00% IDL Chemicals 80-84	H	1000.00	1000.00	1000.00	100	4.00% MC Leod & Co. (Conv)	C	350.00	350.00	350.00
1000	8.00% IDL Chemicals 80-84	Bg	1000.00	1000.00	1000.00	100	7.75% Metal Box	C	98.50	98.50	98.50
1000	7.75% ITC Limited	H	1000.00	1000.00	1000.00	1000	11.00% Mettur Chemical	M	1000.00	1000.00	1000.00
100	7.75% Indian Aluminium 79-83	C	98.00	81.00	83.00	100	7.00% Mettur Chemical V Series	M	100.00	100.00	100.00
100	7.75% Indian Aluminium 80-84	C	98.50	98.50	98.50	100	8.00% Mettur Chemical VI Series	M	100.00	100.00	100.00
100	7.75% Indian Cable	C	80.50	80.50	80.50	100	8.00% Mettur Chemical VIII Series	M	100.00	100.00	100.00
100	7.00% Indian Malleable	C	93.25	93.25	93.25	100	"N"				
100	8.50% Indus Credit & Dev Corp.	Bg	10.00	10.00	10.00	100	8.50% Naitaty Jute	C	100.00	100.00	100.00
100	6.00% Indus Credit & Investment	B	88.25	88.25	88.25	100	6.50% Naskar Para Jute	C	95.25	95.25	95.25
100	6.00% Indus Credit & Investment	B	89.50	89.50	89.50	100	8.00% National Machinery (Conv)	B	77.00	75.00	75.00
100	6.00% Indus Credit & Investt.	B	88.00	88.00	88.00	100	6.50% National Rayon (1922-77)	A	82.00	82.00	82.00
100	6.25% Indus Credit & Investt.	B	90.50	90.50	90.50	100	6.50% National Rayon (1922-77)	B	82.00	82.00	82.00
100	6.25% Indus Credit & Investt.	B	100.00	100.00	100.00	100	7.75% New Central Jute	C	100.00	100.00	100.00
100	6.25% Indus Credit & Investt.	B	100.00	99.00	99.00	100	10.00% Nilambur Rubber	M	96.00	96.00	96.00
100	6.25% Indus Credit & Investt.	B	100.00	100.00	100.00	100	7.50% North Brook Jute	C	92.00	92.00	92.00
100	6.25% Indus Credit & Investt.	B	100.00	100.00	100.00	100	"O"				
100	6.25% Indus Credit & Investt.	B	100.00	100.00	100.00	100	6.50% Oil India	C	98.50	-	-
100	6.25% Indus Credit & Investt.	B	100.00	100.00	100.00	100	6.50% Oil India	D	99.75	-	-
100	6.50% I.C.I.C.I. (92)	B	-	-	-	5000	6.50% Oil India	M	5000.00	5000.00	5000.00
100	7.75% I.T.C. Limited	C	95.00	95.00	81.50		"P"				
	"J"					100	7.50% Patna Electric	C	91.00	91.00	91.00
100	8.00% Jaipur Udyog	C	80.00	80.00	80.00	100	7.75% Philips India	C	75.00	75.00	75.00
	"K"						"R"				
100	4.75% Karnataka State Fin. Corp.	Bg	99.75	99.75	99.75	100	7.75% Rallis India	B	79.00	79.00	79.00
100	5.00% -do-	Bg	99.50	99.50	99.50	1000	7.75% Rallis India	M	1000.00	1000.00	1000.00
100	5.75% -do-	Bg	98.00	98.00	98.00	100	8.00% Rohtas Industries 1971-81	C	98.00	98.00	98.00
100	6.00% -do-	Bg	98.00	98.00	98.00	100	8.00% Rohtas Industries 1970-82	C	97.00	97.00	97.00
100	6.00% -do-	Bg	99.50	99.50	99.50						

Note: —Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
	"S"										
100	7.75% Shaw Wallace	C	81.00	81.00	81.00	100	7.50% Tata Eng. 1972-77	B	94.25	94.25	-
100	8.50% Shree Krishan Gyandoday	C	101.00	101.00	101.00	100	7.75% Tata Eng. (1976-81)	B	74.00	80.00	80.00
500	9.50% Shree Visalam Chit Fund	M	495.00	495.00	495.00	100	7.75% Tata Eng. (Convnt) 1975-82	B	77.00	79.00	79.00
100	7.25% S.I.I. Com. 86	B	97.00	97.00	97.00	100	7.75% Tata Hydro Elec. B 2nd & 3rd	B	79.00	79.00	79.00
100	7.25% S.I.I. Com. 86	B	98.50	98.50	98.50	100	8.00% Tata Iron & Steel 83-87	A	77.00	77.00	81.00
100	7.25% S.I.I. Com. 87	B	97.50	97.50	97.50	100	8.00% Tata Iron & Steel 83-87	B	77.00	77.00	81.25
100	7.75% Sirpur Paper	B	80.00	80.00	80.00	100	7.50% Tata Mills (Textiles)	B	72.00	72.00	72.00
1000	7.75% Sirpur Paper 1980	H	1000.00	1000.00	1000.00	100	8.00% Tata Power Mills 6th Textl.	B	94.25	94.25	94.25
100	8.00% Standard Mills (Con Bonds)	A	130.00	130.00	81.50	100	7.75% Tata Oil Mills 81-84	B	78.00	78.00	78.00
100	8.00% Standard Mills (Con Bonds)	B	130.00	130.00	130.00	100	10.50% Tata Oil Mills Con.	B	33.50	30.00	30.00
100	10.50% Straw Product Con.	B	-	-	91.50	100	10.50% Tata Oil Mills Non Con	B	23.50	22.00	22.00
100	10.50% Straw Product Non. Con.	B	-	-	45.50	100	7.75% Tata Power 1st B 78-80	B	82.00	82.00	82.00
100	7.00% Swadeshi Mills	B	74.00	74.00	74.00	100	7.75% Tata Power IInd B 3 & 5 'B'	B	79.00	79.00	79.00
10	8.00% Swastik Rubber (Con)	B	4.60	4.60	4.60	100	8.50% Tata Power 6th	B	88.00	88.00	88.00
	"T"					100	7.75% Textile Machinery Corpn.	C	81.00	81.00	81.00
100	4.00% Tamil Nadi C.S.L.D.	M	91.35	91.35	91.35	100	10.50% Tube Investment	M	965.00	965.00	965.00
100	4.25% Tamil Nadu C.S.L.D.	M	82.00	82.00	82.00	100	8.50% Tulsipur Sugar Co. Ltd.	C	100.50	100.50	100.50
100	4.50% -do-	M	94.00	94.00	94.00	1000	9.50% Tunghbhadra Industries	H	1000.00	1000.00	1000.00
100	4.75% -do-	M	99.00	99.00	99.00		"U"				
100	5.00% -do-	M	100.00	100.00	100.00		9.00% United India Credit & Dev.	C	-	-	2.50
100	5.25% Tamil Nadu (Rural)	M	100.00	100.00	100.00		"V"				
100	6.25% II -do- II	M	97.50	97.50	97.50		7.75% Voltas Ltd. 1973-78	B	78.00	78.00	78.00
100	6.25% -do- (Rural)	M	100.00	100.00	100.00	100	10.50% Voltas Ltd. 1983-87	B	92.00	92.00	92.00
100	6.25% I -do-	M	98.85	98.85	98.85		"W"				
100	5.50% -do-	M	100.00	100.00	100.00		8.00% Walchand Nagar Ltd.	B	75.00	75.00	75.00
100	5.75% Tamil Nadu (Rural)	M	97.60	97.60	97.60		8.00% W. H. Brady	B	98.00	98.00	98.00
100	6.00% Tamil Nadu (Rural)	M	99.80	99.80	99.80						
1000	9.00% Taranagar Investment	C	-	-	1000.00						
100	10.50% Tata Chemicals 87 B	B	88.00	88.00	88.00						
100	10.50% Tata Chemicals 'A' 87	B	62.50	62.50	62.50						

PREFERENCE SHARES

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
	"A"										
100	Agarpara Jute 7.00%	C	29.00	29.00	29.00	100	Amar Dye Chemical 8.57%	B	71.00	71.00	71.00
50	Agro Extracts 9.50%	Bg	50.00	50.00	50.00	100	Amar Dye Chemical 8.57%	A	71.00	71.00	71.00
100	Ahmedabad Advance 7.14%	B	50.00	50.00	50.00	25	Amarsinghji Mills 2nd 5.20%	A	8.00	8.00	8.00
100	Ahmedabad Cotton 5.72%	A	27.00	27.00	27.00	25	Amarsinghji Mills 3rd 5.20%	A	8.00	8.00	8.00
100	Ahmedabad Laxmi Cotton 5.00%	A	30.00	30.00	30.00	25	Amarsinghji Mills 7.80%	A	8.25	8.25	8.25
100	Ahmedabad Laxmi Cotton 4.50%	A	30.00	30.00	30.00	100	Ambica Textile Mills 7.14%	A	50.00	51.00	51.00
100	Ahura Welding 9.50%	M	100.00	100.00	100.00	100	Ambica Textile Mills 5.72%	A	40.00	41.00	41.00
25	Ajit Textile Mill 'D' 6.43%	A	8.00	8.00	8.00	10	Amluckie Tea 7.00%	C	5.50	5.50	5.50
100	Ajit Textile 'B' 6.43%	A	35.00	35.00	35.00	10	Amrit Banaspati Co. 8.50%	D	6.40	6.40	6.40
100	Ajit Textile 'C' 7.14%	A	40.00	40.00	40.00	10	Anandam Tea 7.00%	M	7.15	7.15	7.15
100	Alembic Chemical 2nd 5.00%	B	59.00	59.00	59.00	100	Andhra Cement 6.00%	M	56.00	56.00	56.00
100	Alembic Chemical 1st 9.00%	B	61.00	61.00	61.00	100	Andhra Cotton 9.50%	H	100.00	100.00	100.00
100	Alembic Chemical 3rd 9.00%	B	65.00	65.00	65.00	100	Andhra Cotton (C.T.F.) R C 9.50%	M	100.00	100.00	100.00
100	Alkali & Chemical 5.00%	B	41.00	41.00	41.00	100	Andhra Farm Chemicals 11.00%	H	100.00	100.00	100.00
100	Alkali & Chemical 5.00%	C	55.00	55.50	54.50	100	Andhra Foundry R C 9.50%	M	100.00	100.00	100.00
100	Alliance Jute 6.00%	C	30.00	20.00	20.00	100	Andhra Pradesh Paper 9.50%	H	100.00	100.00	100.00
100	Allied Steel Ltd. 9.50%	C	99.00	99.00	99.00	100	Andhra Pradesh Steel 11.00%	H	100.00	100.00	100.00
100	Aluminium Corpn. 2.20%	C	19.00	19.00	19.00	100	Andhra Printers C 10.00%	M	100.00	100.00	100.00
100	Aluminium Corpn. 6.50%	C	16.50	16.50	16.50	100	Andhra Printers M.R.C. 10.00%	M	100.00	100.00	100.00
100	Aluminium Corpn. 9.30%	C	18.25	18.25	18.25	100	Andhra Steel 9.50%	Bg	100.00	100.00	100.00
100	Aluminium Corpn. (R) 8.80%	D	75.00	75.00	75.00	100	Andhra Sugar C.R. 9.50%	M	91.00	91.00	91.00
100	Aluminium Corpn. (R) 6.50%	D	62.00	62.00	62.00	100	Andhra Sugar R.C. II 9.50%	M	100.00	100.00	100.00
100	Aluminium Industries 9.50%	B	85.00	85.00	85.00	100	Andhra Valley 7.00%	B	52.00	55.00	55.00
100	Aluminium Industries RPC 9.50%	M	84.00	84.00	84.00	100	Andhra Valley 9.25%	B	86.50	86.50	86.50
100	Amalgamated Development 5.00%	C	40.00	40.00	40.00	100	Anglo French 9.50%	M	81.00	80.50	80.50

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh=Mp.

PREFERENCE SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE				
			Diwali 31-12-77 31-3-78										
			S.V. 2034						S.V. 2034				
Rs.			Rs.	P.	Rs.	P.	Rs.		Rs.	P.	Rs.	P.	
100	Anglo India Jute	7.00%	C	57.00	57.25	58.00	10	Bharat Forgings	9.30%	B	8.00	8.00	8.00
100	Anil Starch	7.00%	A	47.00	47.00	47.00	100	Bharat Nidhi	6.00%	B	41.00	41.00	41.00
100	Anniversary Investment	5.50%	C	22.00	22.00	21.00	100	Bharat Nidhi	6.00%	D	32.00	32.00	32.00
100	Arbuda Textile Mills	7.14%	A	50.00	51.00	51.00	100	Bharat Nidhi	6.00%	C	33.50	33.50	33.50
100	Arlabs	8.325%	B	65.50	65.50	65.50	100	Bharat Steel Tube	9.30%	B	89.00	89.00	89.00
100	Artos Breweries	9.50%	H	100.00	100.00	100.00	100	Bharat Suryodaya	4.00%	A	30.00	30.00	30.00
100	Aruna Sugar R.C.	9.50%	Bg	92.50	92.50	92.50	100	Bharat Vijay	5.00%	A	40.00	40.00	40.00
100	Aruna Sugar R.C.	11.00%	M	78.00	78.00	78.00	100	Bharat Vijay	5.72%	A	13.00	13.00	13.00
100	Aruna Sugar r.c.	11.00%	Bg	-	100.00	100.00	100	Bhavani Textile Mills	9.50%	M	85.84	85.84	85.84
100	Aruna Textile Mills	5.00%	A	31.00	34.00	34.00	100	Bhopal Sugar	5.00%	B	32.00	32.00	32.00
100	Arvind Textile Mill	5.00%	A	33.00	33.00	33.00	100	Bhoruka Steel	9.50%	Bg	100.00	100.00	100.00
100	Arvind Textile Mill 'C'	4.50%	A	40.00	40.00	40.00	25	Bihari Textile Mills	5.72%	A	7.00	7.00	7.00
100	Arvind Textile Mill	4.50%	A	31.00	31.00	31.00	100	Bihari Textile Mills	6.43%	A	35.00	35.00	35.00
25	Aryodaya Ginning	5.72%	A	7.00	7.00	7.00	100	Bilaspur Spinning	9.30%	C	84.50	84.50	84.50
50	Aryodaya Spinning	5.72%	A	14.00	15.00	15.00	100	Binny 'C'	9.75%	M	48.00	48.00	48.00
250	Aryodaya Spinning	7.14%	A	73.00	85.00	85.00	100	Binod Textile Mills	9.30%	MP	70.00	70.00	70.00
100	Asoka Textile Mill 'DB'	4.50%	A	31.00	31.00	31.00	100	Birds Jute & Exports	7.00%	C	8.00	8.00	8.00
100	Asoka Textile Mill	5.00%	A	33.00	33.00	33.00	100	Birla Cotton	9.30%	C	84.00	84.00	84.00
10	Aspinwall & Co.	6.00%	M	3.75	3.75	3.75	100	Birla Jute	7.50%	C	52.75	53.00	53.00
100	Assam Brooke Estate	6.00%	C	40.00	40.00	42.50	100	Birla Jute	9.30%	C	84.00	84.00	85.00
100	Associated Glass	9.50%	H	100.00	100.00	100.00	100	Blow Plastics	9.50%	B	106.25	106.25	106.25
100	Associated Karanpura	4.50%	C	20.25	20.25	20.25	100	Blue Star	7.80%	B	75.00	75.00	75.00
100	Associated Pulp	9.50%	A	65.00	65.00	65.00	100	Bombay Potteries 1st	9.30%	B	71.00	71.00	71.00
100	Associated Pulp	9.50%	B	65.00	65.00	65.00	100	Bombay Potteries 2nd	9.30%	B	40.00	40.00	40.00
100	Associated Stone	12.00%	B	100.00	100.00	100.00	100	Bombay Silk Mills	5.00%	B	56.00	56.00	56.00
10	Atal Tea (Terai)	6.42%	C	5.00	5.00	5.00	100	Bombay Sub Electric	11.00%	B	87.00	87.50	
100	Auckland Jute	5.50%	C	18.00	18.00	18.00	10	Bormahjan	6.00%	C	39.00	39.00	39.00
100	Auckland Jute	4.50%	C	13.25	13.25	14.50	100	Borra Coal	6.50%	C	50.00	50.00	50.00
100	A.V. Thomas (India)	5.00%	M	3.99	3.99	3.99	100	Bowreah Cotton Mills	8.00%	C	63.00	63.00	63.00
10	A. V. Thomas (Alleppey)	6.00%	M	2.47	2.47	2.47	100	Bowreah Cotton Mills	7.00%	C	65.50	65.50	65.50
	'B'						5	Bradbury Mills	10.00%	B	15.00	15.00	15.00
10	Bababudin Coffee C.T.F.	6.00%	M	5.50	5.50	5.50	100	Braitmaitte & Co.	9.00%	C	24.00	24.00	24.00
10	Badra Coffee R.C.T.F.	7.50%	Bg	5.30	5.30	5.30	100	B. R. Cotton	6.00%	B	30.00	30.00	30.00
10	Badra Coffee R.C.T.F.	7.50%	M	7.60	7.60	7.60	100	Brindavan Alloys		Bg	100.00	100.00	100.00
100	Bajaj Electricals	9.50%	B	55.00	55.00	55.00	50	Brindavan Alloys		Bg	50.00	50.00	50.00
100	Bajaj Electricals 'R'	9.50%	B	55.00	55.00	55.00	10	Britannia Biscuit	8.00%	C	8.00	8.00	8.00
100	Bajaj Electricals	9.50%	D	65.00	65.00	65.00	100	British India Corpn.	8.00%	B	55.00	55.00	55.00
10	Balanoor Tea C.T.F.	7.50%	Bg	6.21	6.21	6.21	100	British India Corpn.	8.00%	D	102.50	102.50	102.50
10	Balanoor Tea C.T.F.	7.50%	M	6.85	6.85	6.85	100	British India Corpn.	8.00%	C	56.00	55.00	57.00
100	Ballarpur Paper	9.30%	B	80.00	80.00	86.00	10	Brunton Engineering	6.00%	M	3.00	3.00	3.00
100	Ballarpur Industries	9.30%	D	90.00	90.00	90.00	100	Burn & Co.	7.00%	C	18.00	18.00	18.00
100	Ballarpur Industries	9.30%	C	86.50	86.50	81.00	100	Burn & Co.	6.00%	C	19.00	19.00	19.00
100	Bally Jute	10.00%	C	68.00	68.00	68.00	10	Burrakpur Coal	6.00%	C	3.25	3.25	3.25
100	Banarhat Tea	6.50%	C	54.00	54.50	53.50	100	Burrakpur Coal	7.00%	C	10.00	10.00	10.00
100	Banarhat Tea	9.30%	C	65.00	65.00	75.00		'C'					
10	Bangalore Fort Farms	9.50%	Bg	10.00	10.00	10.00	10	Calcutta Chemical	9.00%	C	7.94	7.94	7.94
£5	Baranagore Jute	5.00%	C	14.00	14.00	14.00	10	Calcutta Chemical	7.00%	C	8.85	8.85	8.85
10	Basanti Textile Mills	6.25%	C	3.12	3.12	3.12	100	Calcutta Credit Corpn.	8.50%	C	34.50	34.50	34.50
100	BASF (India)	9.50%	B	103.00	103.00	103.00	110	Calcutta Credit Corpn.	5.50%	C	23.50	23.50	23.50
5	Be Be Rubber Non Red R.C.	6.25%	M	2.40	2.40	2.40	100	Calcutta Electric	6.00%	C	8.25	8.56	7.37
10	Be Be Rubber R.C.	6.25%	M	4.30	4.30	4.30	100	Calcutta Gas	5.50%	C	20.50	20.50	20.50
125	Bechardar Mills	6.43%	A	55.00	55.00	55.00	100	Calcutta Jute	6.50%	C	50.00	50.00	50.00
10	Bengal Chemical	10.50%	C	5.19	5.19	5.19	100	Calcutta Silk Mfg.	10.00%	C	88.00	88.00	88.00
100	Bengal Chemical	6.50%	C	25.00	25.00	25.00	100	Calcutta Silk Mfg. (Non)	10.00%	C	88.00	88.00	88.00
100	Bengal Jute	5.50%	C	41.50	41.50	41.50	£1	Calcutta Tramways	5.50%	C	7.87	7.87	7.87
100	Bengal Paper	7.00%	C	21.00	21.00	21.00	100	Caledonian Jute	9.00%	C	25.50	25.50	25.50
50	Bengal Paper	6.00%	C	46.50	46.50	46.50	125	Calico Mills 1st	6.43%	A	69.00	69.00	69.00
100	Bengal Paper 'A'	7.00%	C	68.00	68.00	68.00	50	Calico Mills 2nd	6.00%	A	21.00	21.00	21.00
100	Bengal Paper 'C'	9.30%	C	90.00	90.00	90.00	50	Calico Mills 3rd	6.00%	A	22.25	22.25	22.25
100	Bengal Timber	8.00%	C	1.90	1.90	1.90	10	Canara Land Investment	6.00%	Bg	9.30	9.30	9.30
100	Bengal Tools Ltd.	9.50%	C	50.50	50.50	50.50	10	Canara Workshop C.T.F.	5.00%	M	6.09	6.09	6.09
100	Bhagwati Textile Mills	9.50%	M	100.00	100.00	100.00	100	Carew & Co.	6.50%	C	49.00	49.00	53.00
100	Bhagwati Pressing	5.00%	C	30.00	30.00	30.00	100	Cauvery Sugar	7.80%	M	74.00	74.00	74.00
100	Bhalakia Mills	7.14%	A	40.00	40.00	40.00	100	Cawpore	8.00%	C	91.00	85.50	91.00
100	Bhalakia Mills	6.43%	A	37.50	37.50	37.50	100	Cellulose Products	9.30%	A	60.00	65.00	65.00
100	Bharat Commerce	9.50%	C	86.50	86.50	86.50	100	Central India Eng.	11.00%	B	70.00	70.00	70.00
100	Bharat Commerce R.C.E.(New)	9.30%	C	85.50	93.00	93.00	500	Central India Mills	10.00%	B	211.25	195.00	195.00
100	Bharat Commerce	9.30%	B	92.50	92.50	92.50	5	Central Scientific PCTF	6.00%	M	3.25	3.25	3.25
100	Bharat Bijlee	9.30%	B	95.00	95.00	95.00	100	Century Enka	9.50%	B	83.00	83.00	83.00
100	Bharat Carbon 'B'	9.50%	D	80.00	80.00	80.00	10	Challapalli Sugar	5.00%	M	8.48	8.48	8.48
100	Bharat Carbon 'A'	9.75%	D	95.00	95.00	95.00							

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=£
 Bangalore=Bg, Madhya Pradesh =Mp.

PREFERENCE SHARES (Contd.)

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE				
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78		
Rs.						Rs.			Rs.	P.	Rs.	P.	
100	Chamundeswari Sugars	9.50%	Bg	100.00	100.00	100.00	"E"						
2	Chandramalai	8.30%	M	2.10	2.50	2.50							
10	Chase Bright Steel	11.00%	B	7.00	7.00	7.00							
100	Chemical & Plastic RCA I	9.50%	M	122.00	122.00	122.00	100	East India Hotel	9.50%	Bg	100.00	100.00	100.00
100	Chemical & Plastic RCA II	9.50%	M	91.00	91.00	91.00	100	East India Hotel	11.00%	Bg	100.00	100.00	100.00
							100	East India Hotel (Old)	9.50%	B	50.50	72.00	59.50
100	Chemical & Plastic RC 'B'	9.00%	M	103.50	103.50	103.50	100	East India Hotels	9.50%	D	55.00	55.00	58.00
100	Chemopulp Tissues RC	9.30%	C	101.00	101.00	101.00	100	East India Hotels	9.50%	C	54.00	48.00	49.00
100	Chettinad Cement RC	9.30%	M	100.00	100.00	100.00							
100	Chitavalasu Jute	7.00%	C	40.50	40.50	40.50	10	East Coast Boat Building	9.50%	H	10.00	10.00	10.00
100	Chowgule Steamships	9.50%	B	100.00	100.00	100.00	10	E.I.D. Parry (India) RC	11.00%	M	7.75	7.90	8.00
							100	Electric Construction	9.30%	C	74.00	74.00	74.00
100	Chrestien Mica	5.50%	C	3.00	3.00	3.00	100	Elgi Rubber RC	9.50%	M	100.00	100.00	100.00
100	Citric India	9.30%	B	125.00	125.00	125.00	10	Elgin Mills	5.00%	C	4.00	4.00	4.00
50	Cochin Malabar	7.00%	M	37.50	37.50	37.50							
100	Coffee Lands C.T.F.	5.00%	Bg	41.00	41.00	41.00	100	Elgin Mills	8.00%	C	50.00	50.00	50.00
100	Coffee Lands C.T.F.	5.00%	M	46.00	46.00	46.00	100	Elphinstone Mills	7.00%	B	25.00	25.00	25.00
							100	Ellenbari Indus. Gases	11.00%	C	60.00	60.00	60.00
100	Coimbatore Kamla PRC	9.435%	M	96.45	96.45	96.45	100	Empire Jute	7.00%	C	19.50	19.50	19.50
100	Coimbatore PIO Text CTF	6.30%	M	32.88	32.88	32.88	100	Enfield	9.50%	Bg	94.00	94.00	94.00
100	Coimbatore PIO Ferti	9.30%	M	100.00	100.00	100.00							
100	Colour Chem	11.00%	B	102.00	102.00	102.00	100	Enfield RC	9.50%	M	88.00	88.00	88.00
25	Consolidated Coffee CTF	6.00%	M	13.50	13.50	13.50	100	Engine Valves RCTF	7.00%	M	100.00	100.00	100.00
							100	Escorts	9.00%	B	64.00	64.00	
25	Consolidated Coffee CTF	6.00%	Bg	13.25	13.25	13.25	100	Escorts 'A'	9.50%	B	85.00	85.00	
100	Coonoor Tea C	6.00%	M	46.81	46.81	46.81	100	Escorts	9.50%	B	82.00	82.00	
5	Coorg Tea RC	7.50%	M	2.50	2.50	2.50							
5	Coorg Tea RC	7.50%	Bg	1.71	1.71	1.71	100	Escorts	10.00%	B	102.00	72.50	
100	Coromandel Agro Products	11.00%	H	100.00	100.00	100.00	100	Escorts Ltd.	9.00%	C	68.00	68.00	68.00
							100	Escorts Ltd.	9.50%	C	88.00	88.00	88.00
50	Corporation Bank	9.00%	Bg	32.50	32.50	32.50	100	Escorts	9.00%	D	92.00	92.00	92.00
50	Corporation Bank	8.50%	Bg	27.04	27.04	27.04	100	Escorts	10.00%	D	102.00	102.00	102.00
50	Corporation Bank	9.00%	M	28.41	28.41	28.41							
50	Corporation Bank	8.50%	M	25.47	25.47	25.47	100	Escorts	9.50%	D	100.00	100.00	100.00
10	Cottanad Rubber PCTF	7.50%	M	8.50	8.50	8.50	50	Estrella Batteries	7.14%	B	11.00	11.00	11.00
							100	Everest Refrigerants	9.30%	B	59.00	59.00	59.00
100	Coastal Paper	11.00%	H	100.00	100.00	100.00		"F"					
	"D"						100	Ferro Alloys	9.50%	H	100.00	100.00	100.00
100	Dalhousie Jute	7.00%	C	25.00	25.00	25.00	100	Ferro Alloys III	9.50%	H	100.00	100.00	100.00
10	Dalmia Bharat	6.00%	C	6.75	6.75	6.75	100	Fit Tight Nuts & Bolts	9.50%	B	90.00	90.00	90.00
10	Dalmia Cement	7.80%	B	5.75	5.75	5.75	100	Fort Gloster Industries	7.00%	C	67.00	67.00	67.00
10	Dalmia Cement	6.50%	B	6.62	6.62	6.62	100	Fort Gloster Industries	5.00%	C	53.50	45.00	44.00
10	Dalmia Cement RC	7.80%	B	5.95	5.95	6.10							
100	Davangere Textile Mills	9.50%	Bg	91.00	91.00	91.00	100	Fort William Jute	7.00%	C	78.00	78.00	78.00
100	Davangere Textile Mills	9.50%	B	81.00	81.00	81.00	100	Frank Ross & Co.	9.50%	C	45.00	45.00	50.00
5	Deccan Sugar C.T.F.	7.00%	M	2.60	2.60	2.60		"G"					
25	Delhi Cloth Mills I & II	6.43%	D	-	16.25	16.25	100	Galada Continuous	9.50%	H	100.00	100.00	100.00
25	Delhi Cloth Mills 3rd	5.71%	D	13.95	13.95	13.95	12.50	Ganesh Flour 2,3,4, & 5	4.00%	D	1.00	1.00	1.00
							12.50	Ganesh Flour 1	7.00%	D	6.25	6.25	6.25
25	Delhi Cloth Mills 5th	9.00%	D	21.25	21.25	21.25	100	Gangavati Sugar	9.80%	Bg	100.00	100.00	100.00
25	Delhi Cloth Mills 6th	9.50%	D	26.50	21.00	21.00	10	Ganeshwar Sugar	7.50%	D	-	10.75	10.75
25	Delhi Cloth Mills 4th	7.14%	D	14.00	14.00	14.00							
100	Delhi Safe	6.00%	B	25.00	25.00	25.00	100	Gangappa Cables	11.00%	H	100.00	100.00	100.00
100	Delhi Safe Deposits	6.00%	D	50.00	50.00	50.00	100	Ganges Jute	10.40%	C	41.00	41.00	41.00
							100	General Indus Societies	11.00%	C	96.50	96.50	98.50
100	Denison Hydraulics	11.00%	H	100.00	100.00	100.00	100	Ghusick & Muslia Coal	5.00%	C	100.00	100.00	100.00
50	Denison Hydraulics	11.00%	H	50.00	50.00	50.00	100	Gielie Investment	6.00%	C	30.00	30.00	30.00
100	Derco Cooling Coils Ltd.	11.00%	H	100.00	100.00	100.00							
100	Devon Tea & Coffee	7.50%	Bg	58.24	58.24	58.24	100	Gillanders Arbuthnot	5.00%	C	28.50	28.50	28.50
100	Devon Tea & Coffee	7.50%	M	70.50	70.50	70.50	50	Girdhardas Harivallabh	5.72%	A	9.00	9.00	9.00
							100	Gnanambikai C.T.F.	6.30%	M	62.84	62.84	62.84
100	Dharangadhra Chemical	7.80%	B	98.00	98.00	98.00	100	Goa Carbon	9.50%	B	-	128.00	128.00
100	Dharangadhra Chemical 2nd	9.50%	B	105.00	105.00	105.00	100	Godavari Plywoods	11.00%	H	100.00	100.00	100.00
100	Dharangadhra Chemical 3rd	9.50%	B	101.25	101.25	101.25							
100	Dharangadhra Chemical	7.80%	D	88.00	88.00	88.00	50	Godavari Plywoods	11.00%	H	50.00	50.00	50.00
100	Dharangadhra Chemical	11.00%	M	93.32	93.32	93.32	100	Godfrey Phillips	6.87%	B	30.50	30.50	30.50
							100	Godfrey Phillips India	5.50%	C	41.00	39.00	39.00
100	Dharangadhra Chemical RC 2	9.50%	M	92.59	92.59	92.59	100	Gourangdi Coal	5.00%	C	40.03	40.03	40.03
100	Dharangadhra Chemical RC 3	9.50%	M	100.00	100.00	100.00	100	Gourepore Jute	6.00%	C	24.25	24.25	24.25
10	Dimkusji Tea	8.00%	C	7.06	7.06	7.06							
100	Dishergarh Power	5.00%	C	35.50	35.50	36.50	100	Graphite India	9.50%	C	70.00	70.00	70.00
100	Dishergarh Power	4.50%	C	47.00	47.00	47.00	100	Greaves Cotton	5.00%	C	26.81	26.81	26.81
							100	Greaves Cotton	6.00%	C	41.35	41.35	41.35
50	Dolphin Hotels	11.00%	H	50.00	50.00	50.00	100	Gujrat Machinery 'A'	9.50%	B	75.00	75.00	75.00
100	Ductron Castings	9.50%	H	100.00	100.00	100.00	100	Gujrat Machinery 'A'	9.50%	A	75.00	75.00	75.00
100	Duncan Bros.	4.00%	C	45.00	45.00	45.00							
100	Duncans Agro Indus.	8.00%	C	73.50	73.50	73.50	100	Gujrat State Fertilisers	9.30%	A	92.00	92.00	92.00
100	Duncan Agro Indus	7.50%	C	44.00	54.00	64.00	100	Gujrat State Fertilisers	9.30%	B	92.00	92.00	92.00
							100	Gwalior Rayon 'A'	9.30%	B	91.00	92.50	92.50
100	Dunlop India	8.00%	C	65.00	65.00	65.00	100	Gwalior Rayon 'A'	9.30%	Bg	81.50	81.50	81.50
100	Dunlop India	5.50%	C	48.50	47.00	47.00	100	Gwalior Rayon 'C'	9.30%	Bg	82.00	82.00	82.00

Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp.

PREFERENCE SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE				
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78		
			S.V. 2034						S.V. 2034				
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.		
100	Gwalior Rayon 'C'	9.30%	B	89.00	92.50	92.50	100	Indian Rayon 'D'	9.50%	A	93.00	93.00	93.00
100	Gwalior Sugar 'R'	7.00%	B	70.00	70.00	70.00	100	Indian Rayon	9.50%	B	93.00	93.00	93.00
100	Gwalior Sugar	7.00%	B	40.00	40.00	40.00	100	Indian Rayon 'C'	9.30%	B	94.00	94.00	94.00
"H"													
100	Hada Textile	9.50%	C	100.00	70.00	70.00	100	Indian Rubber Mfg.	5.50%	C	42.25	42.25	42.25
100	Halleyburia Tea C.T.F.	5.00%	M	42.00	42.00	42.00	100	Indian Standard Wagon	7.00%	C	10.00	10.00	10.00
100	Hasimara Industries	7.00%	C	63.75	63.75	65.00	100	Indian Tool	9.3%	B	83.00	83.00	83.00
100	Hastings Jute	6.00%	C	36.00	36.00	36.00	100	International Tractors	9.3%	B	98.00	98.00	98.00
100	Hemlatha Textile C.T.F.	5.00%	M	55.25	55.25	55.25	"J"						
10	Highland Tea	6.00%	B	7.24	7.24		100	Jaga Seafoods RC	10.00%	Bg	100.00	100.00	100.00
10	Highland Tea C.T.F.	6.00%	M	5.50	5.50	5.80	50	Jaga Seafoods	11.00%	H	100.00	100.00	100.00
250	Hindustan Spng. Mills	7.00%	B	125.00	125.00		100	Jagatjit Cotton	9.00%	D	70.00	70.00	70.00
100	Hindustan Aluminium	9.00%	B	87.00	87.00	93.00	100	Jagatjit Cotton	5.00%	C	80.00	80.00	80.00
100	Hindustan Aluminium	9.00%	C	83.00	83.00	83.00	100	Jain Tube Company	9.50%	D	55.00	55.00	55.00
100	Hindustan Aluminium	9.00%	D	106.00	106.00	106.00	100	Jain Tube Company	9.50%	C	85.50	85.50	85.00
100	Hindustan Aluminium 'B'	9.30%	B	88.00	88.00	93.00	100	Jardine Herderson	5.00%	C	33.00	33.00	30.00
100	Hindustan Aluminium 'B'	9.30%	D	104.00	104.00	104.00	100	Jawhar Mills RC	10.00%	M	98.00	98.00	98.00
100	Hindustan Aluminium 'B'	9.30%	C	89.00	89.00	86.00	100	Jaypur Metal & Ble	9.30%	D	56.00	56.00	56.00
100	Hindustan Brown Boveri	8.57%	B	65.50	65.50	65.50	100	Jaypore Metal	7.00%	B	50.00	50.00	50.00
100	Hindustan Brown Boveri	8.57%	D	91.00	91.00	91.00	100	Jaypore Metal	9.30%	M	84.88	84.88	84.88
100	Hindustan Brown Boveri	8.57%	A	65.50	65.50	65.50	100	Jaypore Sugars II	7.00%	M	84.98	84.98	84.98
100	Hindustan Construction	6.30%	B	40.00	37.00	37.00	100	Jaypore Sugar	6.00%	M	64.00	64.00	64.00
100	Hindustan Gas CR 2nd	9.30%	C	87.50	87.50	105.00	100	Jaypore Udyog	3.00%	C	72.00	72.00	72.00
100	Hindustan Motors	9.30%	B	67.00	80.00	80.00	100	Jayshree Chemical	9.50%	C	34.00	34.00	34.00
100	Hindustan Motors	9.30%	D	60.00	60.00	60.00	100	Jessop & Co.	5.00%	C	75.00	75.00	75.00
100	Hindustan Motors CR	9.30%	C	84.00	85.00	85.00	100	Jiyajee Rao Cotton	9.30%	B	14.00	14.00	14.00
100	Hindustan National Glass	8.00%	C	105.00	105.00	105.00	100	Jiyajee Rao Cotton	9.30%	B	84.00	84.00	84.00
100	Hindustan Polymers	9.50%	H	100.00	100.00	100.00	100	J.K. Chemicals	6.00%	B	73.00	73.00	73.00
100	Hindustan Sugar	7.143%	B	69.00	69.00	69.00	100	J.K. Cotton	8.30%	B	81.00	81.00	81.00
100	Hindustan Sugar	9.50%	B	81.00	81.00	81.00	100	J.K. Cotton CR	10.00%	C	101.00	101.00	101.00
100	Hindustan Tractors	9.50%	B	100.75	100.75	100.75	100	J.K. Cotton	4.50%	D	90.00	90.00	90.00
100	Hindustan Wires	9.50%	B	100.00	100.00	100.00	100	J.K. Cotton	6.50%	D	100.00	100.00	100.00
100	Hooghly Bldgs.	4.50%	C	34.00	34.00	34.00	100	J.K. Manufacturers	6.00%	C	86.00	86.00	86.00
10	Hooghly Jute	10.00%	C	7.12	7.12	7.50	100	J.K. Steel & Ind.	9.10%	C	91.00	91.00	91.00
100	Howrah Jute	7.00%	C	65.00	65.00	65.00	100	J.K. Synthetics	9.50%	D	37.00	37.00	37.00
100	Howrah Jute 'A'	7.00%	C	30.00	29.50	31.00	100	J.K. Synthetics	9.50%	B	85.00	85.00	85.00
100	Hukumchand Jute	7.00%	C	61.50	54.50	57.00	100	Jyoti Engineering	9.50%	A	94.00	94.00	94.00
10	Humayun Properties	6.00%	C	3.89	3.89	3.89	100	Jyoti Engineering	9.50%	B	94.00	94.00	94.00
100	Hyderabad ASB. Cement	9.50%	H	100.00	100.00	100.00	"K"						
100	Hyderabad Carbon & Chemicals	11.00%	H	100.00	100.00	100.00	100	Kalyanpur Lime	8.50%	C	101.25	101.25	101.25
100	Hyderabad Vanaspathi	9.50%	C	25.50	25.50	25.50	100	Kalyanpur Lime	11.00%	C	102.75	102.75	102.75
"I"													
100	Indian Aluminium	6.25%	B	45.50	45.50	45.50	100	Kamani Engineering	7.00%	B	60.00	60.00	78.00
100	Indian Aluminium	6.25%	C	40.50	40.50	41.25	100	Kamani Engineering 2nd	9.50%	B	89.50	89.50	89.50
100	Indo Burma Petroleum	7.00%	B	43.75	43.75	43.75	100	Kumarhatty Jute	6.00%	C	39.00	39.00	60.50
100	Indo Burma Petroleum	7.00%	C	44.00	46.00	41.00	100	Kankanarrah Jute	6.00%	C	19.00	21.00	21.00
100	India Cement	7.30%	B	64.00	64.00	64.00	100	Kap Steel	11.00%	Bg	100.00	100.00	100.00
100	India Cement CT	7.30%	M	55.00	55.00	56.00	100	Karnatak Steel	9.50%	Bg	100.00	100.00	100.00
100	Indian Carbon RC.	9.30%	C	85.00	85.00	85.00	5	Karnatak Scooters	11.00%	Bg	5.00	5.00	5.00
100	Industrial Cables	9.27%	D	100.00	100.00	100.00	100	Kanoria Chemicals	6.50%	C	71.00	71.00	71.00
100	Indian Dyestuff	8.58%	B	70.00	70.00	77.50	100	Karanpura Collieries	5.50%	C	34.50	34.50	34.50
100	Indian Dyestuff	8.58%	A	70.00	70.00	77.50	10	Karikode Rubber C.T.F.	6.00%	M	7.00	7.00	7.00
100	India Electrochem	7.80%	A	40.00	40.00	40.00	100	Kasturi & Sons	9.00%	M	66.00	75.00	75.00
100	India Forge	11.00%	M	91.00	91.00	91.00	50	Katihar Jute	11.00%	C	75.00	75.00	75.00
10	India General Navigation	6.00%	C	45.50	45.50	45.50	100	Kelvin Jute	7.00%	C	5.50	5.00	5.00
100	India Steamship	5.00%	C	56.00	49.00	53.00	10	Kerala Rubber	9.50%	M	10.00	10.00	10.00
10	India Steel Rolling	5.30%	M	6.50	6.50	6.50	100	Kesar Sugar Ist	5.30%	B	35.00	35.00	35.00
100	India Sugar 'C'	9.50%	Bg	87.50	87.50	87.50	100	Kesoram Industries CR	10.00%	C	85.00	85.00	85.00
100	India Sugar 'C'	9.50%	M	74.00	74.00	74.00	100	Kesoram Industries	9.30%	C	79.00	79.00	79.00
100	India Sugar 'RC'	9.50%	M	75.00	75.00	75.00	100	Kettlewell Bullen	5.50%	C	36.00	36.00	36.00
100	Indian Hotels	9.30%	B	88.00	89.50	94.00	100	Kettlewell Bullen	4.00%	C	43.50	43.50	43.50
100	Indian Hume Pipe	5.00%	B	38.50	38.50	38.50	100	Khandelwal Ferro Alloys	9.50%	B	68.00	68.00	68.00
100	Indian Organic	9.30%	B	86.00	92.50	92.50	100	Khardah Jute	6.00%	C	4.50	4.50	4.50
100	Indian Plastics	5.50%	C	35.00	35.00	34.50	100	Khatu Mills	4.00%	B	58.50	56.00	56.00
100	Indian Rayon 'A'	10.00%	A	114.00	92.50	90.00	100	Khodiyar Pottery	4.30%	B	95.50	95.50	95.50
100	Indian Rayon	10.00%	B	114.00	92.50	90.00	10	Kil Kotagiri 'C'	7.00%	M	5.50	5.50	5.50
100	Indian Rayon	11.00%	A	94.00	94.00	94.00	100	Kinnison Jute	7.00%	C	5.25	5.25	5.25
100	Indian Rayon	11.00%	A	94.00	94.00	94.00	100	Kirlampudi Sugar	5.30%	M	68.00	68.00	68.00
100	Indian Rayon	11.00%	A	94.00	94.00	94.00	25	Kirloskar Bros.	9.00%	B	20.00	20.00	20.00
100	Indian Rayon	11.00%	A	94.00	94.00	94.00	25	Kirloskar Bros.	9.50%	R	24.00	19.00	19.00
100	Indian Rayon	11.00%	A	94.00	94.00	94.00	100	Kirloskar Electric	9.30%	Bg	81.00	81.00	81.00
100	Indian Rayon	11.00%	A	94.00	94.00	94.00	100	Kirloskar Electric	9.50%	Bg	100.00	100.00	100.00

Note: — Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp.

(Contd.)

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Paid up per share		NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share		NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
Rs.	Diwall			31-12-77	31-3-78	Rs.	Diwall	31-12-77			31-3-78		
												S.V. 2034	Rs. P.
100	Kirloskar Electric	9.30%	M	90.00	90.00	90.00	100	Metal Box Co.	6.00%	C	33.75	33.75	33.75
100	Kirloskar Electric	9.50%	P	100.00	100.00	100.00	100	Metal Corp.	5.00%	C	175.00	175.00	175.00
10	Kirloskar Oil Engine	8.50%	B	8.40	8.25	8.50	10	Mettur Chemicals	6.00%	M	5.75	5.75	5.75
10	Kirloskar Oil Engine	8.10%	B	7.30	7.30	7.30	10	Mettur Chemicals	9.30%	M	7.00	7.00	7.00
100	Kothari Plantation	6.00%	C	75.00	75.00	75.00	10	Mettur Chemicals	9.30%	Bg	9.70	9.70	9.70
10	Kothari (Madras)	9.30%	M	6.85	7.15	7.15	10	Mettur Chemicals C.T.F.	6.00%	Bg	7.50	7.50	7.50
100	Kumardhubi Engineering	9.50%	C	52.00	46.00	46.00	10	Midland Rubber	6.00%	B	4.76	4.76	4.76
100	Kumardhubi Engineering R.C.	9.50%	C	51.50	51.50	51.50	10	Midland Rubber 'C'	6.00%	M	4.90	4.90	4.90
100	Kumardhubi Fire Clay	5.50%	C	62.00	62.00	62.00	25	MLA Mally Tea	7.50%	M	15.50	15.50	15.50
10	Kumbakonam Electric	6.00%	M	8.25	8.25	8.25	100	Modi Industries	9.50%	D	80.00	80.00	80.00
10	Kurchimala Plantations	6.25%	M	4.25	4.25	4.25	100	Modi Spinning R.C.	9.50%	M	82.74	82.74	82.74
100	Kusum Products	5.50%	C	49.00	49.00	49.00	10	Modern Convertors	5.00%	C	3.56	3.56	3.56
	"L"						10	Moheema Tea	6.00%	C	4.44	4.44	4.44
250	Lakshmi Vishnu Cotton	5.25%	B	42.50	42.50	45.00	10	Mopeds India	10.00%	M	10.00	10.00	10.00
500	Lakshmi Vishnu Cotton	7.00%	B	99.00	99.00	99.00	10	Mopeds India	10.00%	H	10.00	10.00	10.00
100	Lakshmi Starch	10.00%	B	67.50	67.50	67.50	100	Morarjee Mills	6.43%	B	45.50	45.50	45.50
100	Larson & Toubro	5.00%	Bg	42.50	42.50	48.00	25	Motor & General Finance	14.23%	B	36.00	36.00	36.00
100	Larson & Toubro	5.00%	Bg	100.00	100.00	100.00	10	Motor & General Finance II	10.00%	D	8.25	8.25	8.50
50	Larson & Toubro	9.50%	B	42.00	42.00	42.00	25	Motor & General Finance I	14.28%	D	30.50	30.50	30.50
50	Larson & Toubro	9.50%	Bg	42.00	42.00	42.00	100	Mysore Acetate & Chemical	9.50%	Bg	100.00	100.00	100.00
100	Lawrence Investment	7.00%	C	30.00	14.00	14.00	10	Mysore Amalgamated 'C'	6.00%	M	6.00	6.00	6.00
100	Lawrence Investment	5.50%	C	21.50	11.00	11.00	100	Mysore Breweries	9.50%	M	100.00	100.00	100.00
100	Light Roofing RC	9.50%	M	100.00	100.00	51.00	100	Mysore Breweries R.C.	9.50%	Bg	100.00	100.00	100.00
100	Loyal Textile Mill	5.00%	M	39.00	39.00	39.00	100	Mysore Cement	9.50%	Bg	92.54	92.54	92.54
	"M"						100	Mysore Cement	9.50%	B	100.00	100.00	100.00
100	Machinery Mfg. Corp.	4.00%	B	51.00	51.00	51.00	100	Mysore Cement	9.50%	M	92.54	92.54	92.54
100	Machinery Mfg. Corp.	4.00%	C	65.00	65.00	65.00	10	Mysore Chemical Mfgs.	6.00%	M	7.00	7.00	7.00
100	Macneill & Magore	9.30%	C	59.00	61.25	70.00	10	Mysore Chemical Mfg. CTF	6.00%	Bg	5.68	5.68	5.68
100	Madanapalle Spg.	9.50%	M	100.00	100.00	100.00	100	Mysore Kirloskar	11.00%	B	64.50	64.50	64.50
100	Madanapalle Spg. R.C.	9.50%	M	100.00	100.00	100.00	100	Mysore Kirloskar	11.00%	B	85.00	85.00	85.00
12.50	Madhu Sudan	4.00%	B	5.04	5.04	5.04	100	Mysore Kirloskar	8.10%	Bg	83.50	83.50	83.50
100	Madhya Pradesh Industry	7.80%	C	78.50	78.50	78.50	100	Mysore Kirloskar	9.30%	Bg	100.00	100.00	100.00
100	Madras Aluminium	9.30%	B	102.00	102.00	102.00	100	Mysore Petrochemicals	9.50%	Bg	100.00	100.00	100.00
100	Madras Aluminium	9.80%	M	94.00	94.00	94.00	10	Mysore Plantations CTF	6.00%	M	6.50	6.50	6.50
100	Madras Cement 'C'	9.50%	M	81.00	81.00	81.00							
100	Madras Cement R.C.	9.50%	M	77.00	77.00	77.00							
100	Madras Spinners 'C'	9.50%	M	100.00	100.00	100.00							
100	Madras Vanaspathi C.T.F.	5.30%	M	56.00	56.00	56.00							
100	Maftalal Fine Ist	6.43%	A	50.50	55.00	55.00							
100	Maftalal Fine Ist	6.43%	B	55.50	55.50	55.50	100	Nagarjuna Steel	11.00%	H	100.00	100.00	100.00
100	Maftalal Fine IInd	6.43%	A	50.50	55.50	55.50	50	Nagarjuna Steel (100-50 Paid)	11.00%	H	50.00	50.00	50.00
100	Maftalal Fine IInd	6.43%	B	50.50	50.50	50.50	100	Nagri Mills q	5.72%	A	35.00	34.00	34.00
100	Maharaja Sree Umald	5.00%	C	55.00	55.00	55.00	100	Naihati Jute	7.00%	C	18.00	18.00	18.00
250	Maharashtra Sugar	10.00%	B	197.50	197.50	197.50	100	Naihati Jute	4.50%	C	17.00	17.00	12.00
100	Mahindra Mills	6.50%	A	45.00	45.00	45.00	85	Narang Industries	6.00%	D	21.00	21.00	21.00
80	Maheshwari Mills	7.14%	A	19.50	19.50	19.50	100	National Electric 'R'	10.00%	P	90.50	90.50	90.50
100	Mahindra & Mahindra	7.80%	B	45.50	45.00	45.00	100	National Jute	7.00%	C	13.50	13.50	13.50
100	Mahindra Engineering	9.80%	B	79.00	79.00	79.00	100	National Jute 'B' R.C.	9.50%	C	100.00	100.00	100.00
100	Mahindra & Mahindra	6.00%	C	90.75	90.75	90.75	100	National Pipe & Tube	5.50%	C	28.00	28.00	28.00
100	Mahindra Ujine	9.30%	B	83.00	83.00	83.00	100	National Rayon	5.55%	A	40.00	39.00	42.25
100	Mahindra Ujine	9.30%	A	83.00	83.00	83.00	100	National Rayon	5.55%	B	40.00	39.00	39.00
20	Malabar Agriculture	6.00%	M	5.31	5.31	5.31	100	National Rubber	6.00%	B	69.30	69.30	69.30
100	Mandya National Paper	7.00%	Bg	44.00	41.00	44.00	100	National Rubber	6.00%	C	55.50	55.50	55.50
100	Mandya National Paper	7.00%	B	28.00	28.00	28.00	100	National Rubber C.T.F.	6.00%	M	20.28	20.28	20.28
50	Maneklal Harilal	4.50%	A	18.00	18.00	18.00	10	National Tannery	5.00%	C	3.35	3.35	3.35
100	Mangalore Chemicals	9.50%	Bg	100.00	100.00	100.00	100	National Tobacco	5.00%	C	41.00	41.00	41.00
50	Marikar	9.00%	M	30.00	30.00	30.00	100	National Tobacco	4.50%	C	38.00	38.00	38.00
100	Marshall Mfg. 'C'	10.00%	M	100.00	100.00	100.00	100	Nay Bharat Vanijya	5.85%	C	57.50	57.50	5.50
100	Martin Burn	5.00%	C	11.75	11.75	17.00	100	Navasari Cotton	7.14%	B	43.00	43.00	43.00
10	Maratt Rubber C.T.F.	5.00%	M	2.99	2.99	2.99	10	Neelamalai Tea C.T.F.	5.00%	M	4.65	4.65	4.65
10	Maratt Rubber C.T.F.	10.00%	M	10.00	10.00	10.00	10	Negapatam Electric	6.00%	M	7.80	7.80	7.80
100	Mayurhashi Cotton C.R.	9.50%	C	98.50	98.50	98.50	10	Neiveli Ceramics R.C.	9.50%	M	10.00	10.00	10.00
100	Mc. Dowel C.T.F.	6.00%	M	58.50	58.50	58.50	10	Nelliampathy Tea C.T.F.	6.00%	B	6.20	6.20	6.20
100	Mc. Kenzies Ist	7.86%	B	11.00	11.00	11.00	10	Nelliampathy Tea C.T.F.	6.00%	M	4.75	4.75	4.75
100	Mc. Kenzies IInd	7.86%	B	7.00	7.00	7.00	100	Neeliamra Jute	6.00%	C	42.25	42.25	24.75
100	Mc. Leod & Company Ist	5.00%	C	12.00	12.00	12.00	100	Newasarwa Mfgs.	4.50%	A	35.00	35.00	35.00
100	Mc. Leod & Company IInd	3.00%	C	15.00	14.00	114.00	100	New Central Jute	7.00%	B	90.50	90.50	90.50
100	Meenakshi Oil	6.00%	Bg	100.00	100.00	100.00	100	New Central Jute	7.00%	C	67.00	67.00	40.50
10	Mercara C.T.F.	6.00%	M	6.00	6.00	6.00	25	New Commercial Millsco	5.72%	A	7.00	7.00	7.00
7.50	Mercantile Credit Corp.	11.00%	Bg	7.50	7.50	7.50							

Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

PREFERENCE SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex	FOR VALUATION DATE				
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78		
			S.V. 2034						S.V. 2034				
Rs.			Rs.	P.	Rs.	P.	Rs.		Rs.	P.	Rs.	P.	
50	New Commercial Mills	7.14%	A	16.00	16.00	16.00	10	Pullangode C.T.F.	6.00%	M	5.42	5.42	5.42
100	New Cotton Mills	5.50%	A	30.00	30.00	30.00	100	Punalur Paper R.C.	4.50%	M	100.00	100.00	100.00
100	New Cotton Mills	4.50%	A	30.00	30.00	30.00	10	Purtabpore Co	10.00%	C	7.00	7.00	7.00
200	New Great Mills	5.50%	B	70.00	70.00	70.00	100	Pussimbing Tea	7.00%	C	100.00	100.00	100.00
100	New India Fisheries	6.00%	B	77.00	77.00	77.00		"R"					
100	New India Sugar	12.22%	C	80.00	80.00	84.00	100	Raipur Mfg.	4.50%	A	34.00	34.00	34.00
100	New Jehangir Mills	7.14%	A	44.00	44.00	44.00	100	Raipur Mfg. 'B'	4.50%	A	34.00	34.00	34.00
100	New Rajpur Mills	5.72%	A	25.00	25.00	25.00	10	Rajagiri Rubber	6.00%	B	4.38	4.38	4.38
100	New Rajpur Mills 'B'	6.43%	A	31.00	31.00	31.00	10	Rajagiri Rubber 'C'	6.00%	M	4.50	4.50	4.10
100	New Samon Bagh Tea	8.00%	C	25.00	25.00	25.00	50	Raja Lakshmi Mills 'C'	8.45%	M	31.50	31.50	31.50
100	New Swadeshi Mills	9.30%	A	85.00	85.00	85.00	100	Rajasthan Spg. Mills	9.00%	D	100.00	100.00	100.00
100	New Swadeshi Mills	9.30%	B	85.00	85.00	85.00	10	Rajindra Coffee R.C.T.F.	5.50%	M	5.45	5.45	5.45
10	Nilambur Rubber C.T.F.	6.00%	M	4.60	4.60	4.60	10	Rajindra Coffee C.T.F.	6.00%	M	4.55	4.55	4.55
5	Nilgiri Tea	8.00%	Bg	2.85	2.85	2.85	100	Rallis India	6.00%	B	32.50	32.50	32.50
5	Nilgiri Tea R.C.	8.00%	M	3.65	3.65	3.65	100	Rallis India	6.00%	M	48.50	38.00	38.00
100	Nimar Mills 'A'	9.50%	B	30.00	30.00	30.00	100	Rallis India	6.00%	C	38.00	38.00	38.00
25	Nizam Sugar	8.00%	H	14.25	14.25	15.00	10	Rane Brake	9.30%	M	10.00	10.00	10.00
100	North Brook Jute	5.50%	C	18.50	18.50	18.50	10	Rameshwara Jute	6.00%	C	9.75	9.75	9.75
100	Nutan Mills	4.50%	A	30.00	30.00	30.00	50	Ram Krishna Mills	5.71%	A	12.50	12.50	12.50
250	N.S. Railway Ist	5.00%	H	210.00	210.00	210.00	100	Ram Mugger Cane Sugar	6.00%	C	53.00	53.00	53.00
250	N.S. Railway IInd	6.00%	H	220.00	220.00	220.00							
	"O"						5	Rane (Madras) C.T.F.	6.00%	M	2.90	2.90	2.90
							5	Rane (Madras) C.T.F.	7.00%	M	3.10	3.10	3.10
100	Okayti Tea	7.00%	C	85.00	85.00	85.00	100	Ravalgaon Sugar	5.30%	B	35.75	35.75	35.75
100	Okayti Tea	10.00%	C	30.00	30.00	30.00	100	Raymond Wollen	5.00%	B	40.00	40.00	40.00
100	Ondal Investment	6.50%	C	79.25	79.25	79.25	100	Raymond Wollen	5.00%	C	56.50	66.50	66.50
100	Orient Paper	7.86%	B	66.00	66.00	66.00	100	Raza Textile 'A'	6.50%	D	48.00	48.00	48.00
100	Orient Paper	5.30%	B	42.00	42.00	42.00	10	Raza Textile 'B'	6.50%	D	5.50	5.50	5.50
100	Orient Paper	5.50%	C	64.50	66.50	67.00	100	Regent Estate	4.00%	C	7.00	7.00	7.00
100	Orient Paper	5.50%	C	46.50	45.00	46.00	100	Reliance Jute	7.00%	C	60.50	60.50	60.50
100	Oriental Industries	5.00%	B	50.00	50.00	50.00	100	R.G. Ispat	9.50%	D	67.00	67.00	67.00
100	Orissa Textile Mills	5.00%	C	51.50	51.50	51.50							
	"P"						100	Rohit Textile Mills	5.50%	A	30.00	30.00	30.00
100	Pandyam Hotel R.C.	9.50%	M	100.00	100.00	100.00	100	Rohit Textile Mills IInd	5.72%	A	30.00	30.00	30.00
100	Panyam Cement N.R.C.	9.30%	M	93.00	93.00	93.00	100	Rohtas Industries 'B'	4.50%	C	37.00	36.00	35.00
100	Panyam Cement R.C.	9.50%	M	94.75	94.75	94.75	100	Rohtas Industries 'B'	4.50%	D	67.00	67.00	67.00
100	Panyam Cement R.C.	9.50%	M	85.00	85.00	85.00	100	Rohtas Industries	7.00%	C	109.00	109.00	109.00
100	Panyam Cement A & B	9.30%	H	92.55	92.55	92.55	100	Rohtas Industries 'B'	4.25%	B	41.00	41.00	34.00
100	Panyam Cement 'C'	9.30%	H	92.55	92.55	92.55	100	Rohtas Industries 'A'	7 to 9.00%	B	75.00	75.00	75.00
100	Panyam Cement 'D'	9.50%	H	92.55	92.55	92.55	100	Rohtas Industries Ist	7 to 9.00%	D	69.00	69.00	69.00
100	Panyam Cement N.R.C.	9.30%	Bg	78.25	78.25	78.25	50	Rustom Jehangir Mills	5.72%	A	17.00	17.00	17.00
100	Panyam Cement R.C.	9.30%	Bg	78.25	78.25	78.25	10	Ryam Sugar	6.00%	C	8.50	8.50	12.06
100	Panyam Cement R.C.	9.50%	Bg	78.09	78.09	78.09		"S"					
10	Parry Confectionary C.T.F.	5.00%	M	4.70	4.70	4.85	100	Sahney Parishphone	11.00%	H	100.00	100.00	100.00
25	Parshuram Pottery	6.00%	B	26.00	26.00	26.00	100	Sakthi Piper	9.30%	M	100.00	100.00	100.00
25	Parshuram Pottery	4.00%	B	17.00	17.00	17.00	100	Sakthi Sugar R.C.	9.30%	M	97.00	97.00	97.00
100	Patell Mills	4.50%	A	31.00	31.00	31.00	100	Sakthi Sugar R.C.	9.30%	M	100.00	100.00	100.00
100	Peermade Tea C.T.F.	6.00%	M	54.00	54.00	54.00	10	Salem Erode Tea RCTF	6.30%	M	7.90	7.90	6.60
100	Peirce Leslie	9.30%	M	65.00	65.00	65.00	100	Sandur Manganese	9.30%	Bg	85.34	85.34	85.34
100	Penguin Mills	9.50%	H	100.00	100.00	100.00	100	Sandur Manganese	9.80%	Bg	100.00	100.00	100.00
100	Penguin Mills R.C.	9.50%	M	100.00	100.00	100.00	50	Sarangpur Cotton	5.72%	A	19.00	19.00	19.00
50	Perfect Potteries		Mp	40.00	40.00	40.00	100	Sarangpur Cotton	5.72%	A	35.00	35.00	35.00
10	Periyar Chemicals R.C.	9.50%	M	10.00	10.00	10.00	100	Saraspur Mills	4.50%	A	30.00	31.00	31.00
100	Plastics Resins R.C.	9.50%	M	100.00	100.00	100.00	100	Saraswati Industries	8.00%	D	75.00	75.00	75.00
100	Podar Mills	7.00%	B	30.00	30.00	30.00	100	Saraswati Textile Mills	11.00%	P	50.00	50.00	50.00
100	Podar Mills	9.50%	B	36.00	36.00	36.00	100	Saroj Alloys	9.50%	Bg	100.00	100.00	100.00
100	Podar Mills	9.50%	C	86.00	86.00	86.00	100	Sarvaraya Textile Mills	7.80%	M	88.67	88.67	88.67
100	Polson	6.00%	B	40.00	40.00	40.00	100	Sathe Biscuits	9.00%	B	90.00	90.00	
10	Poona Industrial Hotel	9.50%	Bg	10.00	10.00	10.00	100	Saurashtra Cement	9.50%	B	93.00	93.00	
10	Poonamudi Agencies	6.00%	M	9.20	9.20	9.20	50	Sayaaji Textile Mills 'B'	4.50%	A	16.00	16.00	16.00
100	Poysha Industries	9.50%	B	95.00	95.00	95.00	100	Sayaaji Textile Mills 'A'	5.71%	A	26.00	26.00	26.00
100	Premier Breweries	9.50%	M	100.00	100.00	100.00	100	Sayaaji Textile Mills	6.43%	A	30.00	30.00	30.00
100	Premier Cables	9.30%	M	100.00	100.00	100.00	100	Sayaaji Textile Mills A/B	8.57%	A	35.00	35.00	35.00
100	Premier Const. Ist	6.25%	B	34.00	34.00	34.00	100	Sayaaji Textile Mills Spl.	8.57%	A	38.00	38.00	38.00
100	Premier Const. IInd	6.25%	B	34.50	36.00	36.00	100	Sen Raleigh Ltd.	5.00%	C	45.00	45.00	45.00
10	Premier Const. IIInd	4.30%	R	3.00	3.00	3.00	10	Seshaye Industries	6.30%	P	11.90	11.90	11.90
100	Promafin	10.00%	D	30.00	30.00	30.00	100	Shah Construction	9.50%	A	101.00	101.00	101.00
10	Protein Products	9.50%	M	7.00	7.00	7.00	100	Shama Engine Valve	9.30%	D	75.00	75.00	75.00

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp.

PREFERENCE SHARES (Contd)

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FOR VALUATION DATE										FOR VALUATION DATE									
Diwali 31-12-77 31-3-78										Diwali 31-12-77 31-3-78									
S.V. 2034										S.V. 2034									
Rs. P. Rs. P. Rs. P.										Rs. P. Rs. P. Rs. P.									
NAME OF SCRIPT										NAME OF SCRIPT									
Ex.										Ex.									
100	Shaw Wallace	6.00%	C	41.00	41.00	39.75				100	Surat Electricity	6.50%	B	56.00	56.00	56.00			
100	Shethia 'Mg.	9.50%	B	101.00	101.00	101.00				100	Surat Electricity	9.50%	B	87.00	87.00	87.00			
100	Shimoga Steel R.C.	11.00%	Bg	100.00	100.00	100.00				100	Surat Textile Mills	5.84%	A	45.00	45.00	45.00			
100	Shivmoni Steel	9.50%	Bg	100.00	100.00	100.00				100	Suri & Nayar	9.50%	Bg	100.00	100.00	100.00			
100	Shree Ambika Jute	7.50%	C	68.00	68.00	68.00				10	Suryalaxmi Cotton	10.00%	H	10.00	10.00	10.00			
100	Shree Bhawan Mills	8.00%	C	78.00	78.00	78.00				100	Swadeshi Mills	7.14%	B	47.50	47.50	47.50			
100	Shree Digvijay Cement	5.00%	D	66.00	66.00	66.00				100	Swamiji Mills 'C'	9.50%	P	100.00	100.00	100.00			
100	Shree Digvijay Cement	5.00%	B	46.00	46.00	46.00				100	Swadeshi Cotton Mills	6.00%	C	46.00	46.00	46.00			
100	Shree Digvijay Wollen	6.00%	D	85.00	85.00	85.00				100	Swadeshi Cotton Mills	6.00%	D	64.00	64.00	64.00			
100	Shree Digvijay Wollen	8.57%	R	75.00	75.00	75.00				100	Swadeshi 'K'	8.57%	B	69.50	69.50	69.50			
100	Shree Hanuman Sugar	9.30%	C	80.00	80.00	80.00				10	Swadeshi (P.Ord.)	4.00%	B	10.40	10.40	10.40			
100	Shree Hanuman Sugar (New)	9.30%	C	95.00	95.00	95.00				100	Swadeshi Polytex	9.50%	Bg	100.00	100.00	100.00			
100	Shree Krishan Gyanoday B	5.00%	C	48.50	48.50	48.50				10	Swastik Rubber	9.00%	B	40.00	40.00	40.00			
100	Shree Krishan Gyanoday B	5.00%	D	46.00	46.00	46.00				10	Swastik Rubber	9.50%	B	80.00	80.00	80.00			
100	Shree Krishan Gyanoday A	6.00%	C	68.00	68.00	68.00				100	Swastik Textile Mills	5.00%	B	36.00	36.00	36.00			
100	Shree Krishana Gyanoday A	6.00%	D	78.00	78.00	78.00				"T"									
100	Shree Madhusudan Mills	4.30%	C	12.00	12.00	12.00													
100	Shree Niwas Cotton Mills	4.00%	B	25.00	25.00	25.00				10	Talayor Tea 'C'	7.00%	M	8.25	8.25	8.25			
100	Shree Niwas Cotton Mills	4.00%	C	48.80	48.80	48.80				100	Tanfort Tyres R.C.	9.50%	Bg	100.00	100.00	100.00			
100	Shree Rajindra Mills	9.50%	M	100.00	100.00	100.00				100	Tarun Commercial Mills	8.57%	A	45.00	45.00	45.00			
100	Shree Ramkrishna Steels	10.00%	M	100.00	100.00	100.00				100	Tata Chemicals	7.14%	B	54.00	51.00	51.00			
100	Shree Ram Bearings	9.30%	B	80.00	80.00	80.00				100	Tata Chemicals	7.14%	A	54.00	47.00	53.00			
100	Shree Rishab Investment	6.00%	D	5.00	5.00	5.00				100	Tata Eng. & Loco 'A' New	9.00%	B	88.00	85.00	90.00			
100	Shree Sadul Textile Mills	9.50%	D	40.00	40.00	40.00				100	Tata Hydro Electric	7.00%	B	51.00	55.00	55.00			
100	Sri Sarvarya Sugar	9.50%	M	10.93	10.93	10.93				150	Tata Iron & Steel Ist	6.00%	A	68.00	68.00	68.00			
100	Shree Valliappa Textile	9.30%	Bg	100.00	100.00	100.00				100	Tata Iron & Steel IInd	7.50%	A	63.50	63.75	69.50			
100	Shree Valliappa Textile	9.30%	M	100.00	100.00	100.00				100	Tata Iron & Steel IInd 'A'	7.50%	A	63.75	64.00	69.00			
100	Silver Cotton Mills	5.72%	A	29.00	28.00	28.00				100	Tata Iron & Steel IInd 'A'	7.50%	B	63.75	64.00	70.00			
100	Silver Cotton Mills	5.72%	A	29.00	28.00	28.00				100	Tata Oil Mills	4.50%	B	31.50	31.50	31.50			
10	Simco Meters	9.00%	Bg	10.00	10.00	10.00				100	Tata Oil Mills 'A'	9.30%	B	87.25	87.00	87.00			
10	Simco Meters	9.00%	M	5.09	5.09	5.09				100	Tata Power	7.50%	B	54.00	56.00	56.00			
100	Sirpur Paper	6.00%	H	51.50	51.50	51.50				100	Tata Power 'A'	9.25%	B	87.00	87.00	87.00			
100	Sirpur Paper	6.00%	B	42.00	42.00	42.00				10	Teekoy Rubber C.T.F.	6.00%	M	4.50	4.50	4.50			
100	Sirpur Paper	6.00%	C	62.00	62.00	62.00				10	Telangana Spg. Mills R.C.	9.50%	M	5.70	5.70	5.70			
100	Sirsilk Textile Mills	6.00%	H	53.00	53.00	53.00				10	Telangana Spg. Mills	9.50%	H	10.00	10.00	10.00			
100	Sivanandha Steel	9.50%	M	100.00	100.00	100.00				100	Testeels	6.00%	A	55.00	55.00	55.00			
50	Smith Stani Street	10.00%	C	41.00	41.00	41.00				100	Textile Mach. Corpn. IInd	5.30%	B	61.30	61.30	61.30			
100	Sonai River Tea	8.00%	C	80.00	80.00	80.00				100	Textile Mach. Corpn. IInd	5.50%	C	44.50	44.50	44.50			
10	South India Steel & Sugar	9.30%	M	10.12	10.12	10.12				100	Textile Mach. Corpn. Ist	7.857%	B	85.00	85.00	85.00			
10	South Madras Electric IInd	5.30%	M	11.75	11.75	11.75				100	Textile Mach. Corpn. Ist	7.857%	C	57.00	57.00	57.00			
100	Southern Brick Works	9.50%	M	100.00	100.00	100.00				100	Textile Mach. Corpn.	9.30%	B	69.50	69.50	69.50			
100	Southern Steel Met	9.50%	Bg	100.00	100.00	100.00				100	Textile Mach. Corpn.(RC)	9.30%	C	93.00	93.00	93.00			
100	S.P.I.C.	9.50%	Bg	90.00	90.00	90.00				100	Textile Mach. Corpn.(RC New)	9.30%	C	86.00	86.00	86.00			
100	S.P.I.C. - R.C.	9.50%	M	95.00	95.00	95.00				100	Textile Mach. Corpn. Ist	9.30%	D	85.00	85.00	85.00			
10	Southern Steel	9.50%	H	10.00	10.00	10.00				100	Textool	10.00%	M	50.00	50.00	50.00			
100	Special Steels	9.50%	B	91.00	91.00	91.00				10	Tezpor Tea	5.00%	C	7.12	7.12	7.12			
10	Spencer & Co. 'A'	6.50%	M	4.25	4.25	4.25				5	Thamarpally Rubber	6.00%	Bg	2.58	2.58	2.58			
10	Spencer & Co. 'B'	8.50%	M	5.45	5.45	5.45				5	Thamarpally Rubber	6.50%	M	3.25	3.25	3.25			
100	Spun Pipes	7.14%	B	38.00	38.00	38.00				10	Tiffin's Barytes	6.30%	P	4.00	4.00	4.00			
100	Standard Mills Ist	5.72%	A	50.00	50.00	50.00				10	Tinnevely Tuti Tea	6.30%	M	8.25	8.25	6.60			
100	Standard Mills IInd	5.72%	A	45.50	45.50	45.50				10	Tirrihannah Tea	10.00%	C	11.46	11.40	11.46			
100	Standard Mills Ist	5.72%	B	50.00	50.00	50.00				100	Titagur Paper	8.00%	C	73.00	71.00	75.00			
100	Standard Mills IInd	5.72%	B	45.50	45.50	45.50				100	Titagur Paper	4.50%	C	40.50	40.50	42.00			
100	Standard Motors C.T.F.	6.30%	M	51.00	51.00	51.00				100	Toshiba Batteries	9.50%	B	100.00	100.00	100.00			
100	Star Paper Ist	5.00%	B	73.00	73.00	73.00				100	Toshiba Anand Batteries	9.50%	M	100.00	100.00	100.00			
100	Star Paper Ist	5.00%	D	67.00	67.00	67.00				100	Toshiba Anand Lamps	9.50%	P	100.00	100.00	100.00			
100	Star Paper Ist	5.00%	C	55.00	55.00	55.00				10	T.R. & Tea CTF	6.00%	M	4.25	4.25	4.30			
100	Star Paper 3rd	7.00%	B	100.00	100.00	100.00				100	Transformer	7.30%	M	51.00	51.00	51.00			
100	Star Paper (Conv.)	7.00%	D	76.00	76.00	76.00				10	Travancore Rayon	6.50%	B	4.50	4.50	4.50			
100	Star Paper CR 2nd	9.80%	C	82.00	80.00	88.00				10	Travancore Rayon CTF	5.00%	M	4.90	4.90	4.90			
100	Star Paper 3rd	9.80%	D	75.00	75.00	75.00				10	Travancore Sugar	5.00%	M	4.50	4.50	3.50			
100	Star Textile Engineering	11.00%	B	90.00	90.00	90.00				100	Trichy Distilleries	9.50%	M	70.36	70.36	70.36			
10	Steel Products	5.00%	C	2.81	2.81	2.81				100	T. Stanes	7.00%	M	40.20	40.20	40.20			
100	Straw Products	11.00%	B	-	96.00	96.00				100	Triton Valves	11.00%	Bg	50.00	50.00	50.00			
100	Straw Products	9.30%	C	88.00	88.00	88.00				100	Tungabhadra Industries	9.50%	H	100.00	100.00	100.00			
50	Sunrise Auto	11.00%	Bg	100.00	100.00	100.00				"U"									
10	Sussen Textile Bearings	9.30%	B	8.24	8.24	8.24													
10	Sun Paper R.C.	9.50%	M	10.00	10.00	10.00				10	Udaygiri Tea CTF	7.00%	M	5.20	5.20	5.20			
100	Supreme Industries	6.25%	B	35.00	35.00	35.00				100	Union Jute	7.00%	C	7.87	7.87	7.87			
100	Supreme Industries	6.25%	A	35.00	35.00	35.00				100	United Collieries	5.00%	C	30.02	30.02	30.00			
100	Supreme Industries	6.25%	A	35.00	35.00	35.00				10	United Electricals	5.00%	M	5.41	5.41	5.41			
100	Supreme Industries	6.25%	A	35.00	35.00	35.00				100	United Wires	9.30%	B	135.00	129.50	129.50			

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Anglore=Bg, Madhya Pradesh =Mp.

PREFERENCE SHARES (Contd)

Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
100	Universal Wire	11.00% H	100.00	100.00	100.00		"W"				
100	Universal Electric	9.30% C	72.50	72.50	72.50	100	Walchandnagar Ind.	10.00% B	68.50	75.00	75.00
100	Upper Ganges Sugar	7.14% C	57.50	52.50	54.00	50	Waverley Investment	5.00% C	22.00	22.00	22.00
100	Usha Martin Black A	9.50% C	105.00	105.00	105.00	100	West Coast Paper	6.00% Bq	83.62	83.62	83.62
100	Usha Martin Black B	9.50% C	105.00	105.00	105.00	100	West Coast Paper	6.00% B	50.00	50.00	50.00
100	Usha Spg. Mills	9.50% D	100.00	100.00	100.00	100	West Coast Paper	6.00% C	76.50	76.50	76.50
100	Uttar Pradesh Hotels	9.00% D	102.00	102.00	102.00	100	Western India Plywood	6.00% Bg	79.00	79.00	79.00
	"V"					100	Western India Plywood	6.00% M	79.00	79.00	79.00
100	Vasanta Textile Mills	6.30% M	72.00	72.00	72.00	100	Western India Plywood	6.00% B	87.00	87.00	87.00
100	Vasanta Textile Mills	6.00% M	71.00	71.00	71.00	100	Western U.P. Electric	5.50% D	62.00	62.00	62.00
10	Velimalai Rubber 'C'	7.00% M	5.80	5.80	5.80	10	Woodland CTF	6.30% M	6.50	6.50	6.50
10	Vellore	6.00% M	4.00	4.00	4.00	10	Woodland RCTF	6.30% M	5.50	5.50	5.50
50	Venkatesa Textile Mills	6.00% M	23.41	23.41	23.41	100	W.S. Insulators C	9.50% M	90.00	90.00	90.00
100	Vijay Mills	5.72% A	34.00	34.00	34.00	100	W.S. Insulators RC	9.50% M	100.00	100.00	100.00
100	Vijay Mills	4.50% A	32.00	32.00	32.00		"Y"				
100	Vijay Spg. Mills	9.50% H	100.00	100.00	100.00	50	Yamuna Syndicate	7.50% D	30.00	30.00	30.00
100	Vijay Spg. Mills RC	9.50% M	92.59	92.59	92.59	100	Yemmiganur Spg.	9.50% H	100.00	100.00	100.00
100	Vikram Mills	6.50% A	35.00	39.00	39.00		"Z"				
100	Vikram Mills	5.85% A	29.00	30.00	30.00	100	Zuari Agro	9.50% B	137.75	137.75	137.75
75	Vikrant Tyres	- Bg	75.00	100.00	100.00	100	Zuari Agro	9.50% M	100.00	100.00	100.00
100	Virudhunagar	5.00% M	41.00	41.00	41.00						
100	V.S.T. Tillers Tractors	9.50% Bg	100.00	100.00	100.00						
100	V.S.T. Tillers Tractors	9.50% M	100.00	100.00	100.00						

EQUITY SHARES

Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share Rs.	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
10	Abrasives & Castings	B	3.00	3.00	3.00	10	A.K. Corporation	C	4.94	4.69	4.62
10	ACC Auto Marketing	C	3.00	3.00	4.25	2	Alageswar Tea	M	4.75	4.75	4.75
100	ACC Cement	B	102.25	117.00	162.50	10	Albion Plywood	D	1.50	1.50	1.50
100	Adarsh Chemicals	B	100.00	108.75	112.50	2	Albion Plywood	C	1.00	1.00	1.00
10	Aditya Mills	B	6.00	6.00	5.85	50	Albright Morarji	B	156.25	152.50	151.25
10	Aditya Mills	C	5.00	6.00	6.00	100	Alembic Chemical	B	97.00	100.00	115.00
100	Afsons Industrial Corpn.	B	100.00	100.00	100.00	100	Alembic Glass	Bg	121.00	121.00	121.00
10	Agarpara Jute	C	2.69	3.62	2.62	100	Alembic Glass	B	97.00	93.00	85.00
10	Agarwal Steel	B	7.25	7.25	7.25	100	Alembic Glass IInd	A	100.00	100.00	85.00
10	Agarwal Steel Complex	C	6.00	6.00	6.00	10	Alfred Herbert	B	6.00	7.00	8.00
10	Agro Extracts	Bg	7.00	7.00	7.00	10	Alfred Herbert (India)	C	8.00	8.12	8.31
10	Agro Morarji	Mp	-	11.00	11.00	10	Aligarh Electric	C	8.80	8.80	8.80
5	Agro Morarji Public	Mp	4.87	4.87	4.87	10	Alirox Abrasive	D	8.50	9.25	9.25
100	Ahmedabad Advance Mills	B	140.00	136.00	168.00	5	Alirox Abrasive	D	3.50	3.50	3.50
250	Ahmedabad Cotton Mills	A	-	106.25	140.00	10	Alkali & Chemical	B	26.50	26.75	27.25
100	Ahmedabad Electricity Co.	B	87.00	88.00	93.75	10	Alkali & Chemical	C	27.37	26.75	28.87
100	Ahmedabad Electricity Co.	A	87.50	84.50	93.50	10	Alliance Properties & Ind.	D	10.50	10.50	10.50
250	Ahmedabad Laxmi Cotton	A	245.00	245.00	245.00	100	Alliance Jute	C	11.40	10.50	10.50
250	Ahmedabad Sarangpur Mills	A	150.00	150.00	150.00	10	Allied International	B	10.50	10.50	10.50
125	Ahmedabad Victoria Iron	A	180.00	190.00	157.50	10	Allied Steel	B	8.50	8.50	8.50
100	Ahmedpur Katwa Rlys.	C	8.00	14.00	13.00	10	Allied Steel Ltd.	C	1.95	2.87	2.87
100	Ahura Welding	M	100.00	100.00	100.00	10	Aluminium Corporation	D	5.50	5.50	5.50
100	AIR Control	B	45.50	45.50	45.50	10	Aluminium Corporation	C	1.87	1.87	1.50
100	AIR Control	A	60.00	60.00	50.00	10	Aluminium Industries	B	6.35	6.00	5.75
10	AIR Reduction Company	D	6.50	6.50	6.50	10	Aluminium Industries	M	6.15	6.60	5.80
10	Ajanta Textile Mills	D	10.00	10.00	10.00	10	Alwar Investments	C	7.00	7.00	7.00
100	Ajit Mills	A	80.00	81.00	81.00	10	Amalgamated Coal	C	1.31	1.31	1.31
10	Ajoy Paper Mills Ltd.	C	5.06	5.06	4.97	100	Amalgamated Development	C	43.00	41.00	45.00
5	Ajudha Mills	D	2.00	2.00	2.00	10	Amalgamated Electricity	B	8.85	8.65	8.85
10	Akkamamba	M	6.25	6.25	6.25	10	Amalgamated REPCO	M	5.37	5.37	5.37

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex and Issue Price=.

Bangalore=Bg, Madhya Pradesh =Mp.

EQUITY SHARES (Contd)

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
100	Amar Dye-Chem	B	232.50	226.25	257.50	10	Arbor Acres Farm	B	8.00	8.00	8.00
100	Amar Dye-Chem	A	230.00	226.25	252.50	100	Arbuda Mills	A	307.50	305.00	342.50
10	Amar Investment	C	6.00	5.50	4.44	10	Arcuttipore Tea	C	10.37	10.37	7.50
125	Amarsinghji Mills	A	30.00	30.00	30.00	10	Arjun Investment	D	7.50	7.50	7.50
10	Amarsi Textiles	D	10.00	10.00	2.50	10	Arsum Investment	C	6.50	5.19	5.00
100	Ambica Silk	B	113.75	112.50	111.00	100	Arlabs	B	147.50	147.50	117.50
100	Ambica Mills	A	251.00	258.50	281.00	10	Arlem Breweries	B	2.76	2.76	3.50
10	Ambica Shipping Ind.	C	4.55	4.55	5.06	100	Arrah Sasaram Rly.	C	20.00	20.00	18.50
10	American Refrigerator	C	3.37	4.37	4.37	10	Art Line Investment	D	8.50	8.50	8.50
10	American Universal Elec.	B	5.50	8.50	5.50	10	Artos Breweries Ltd.	H	10.00	10.00	10.00
10	American Universal Elec.	D	5.00	5.00	5.00	100	Aruna Mills	A	179.00	183.00	179.00
10	Amines & Plasticizer	C	10.12	10.12	10.12	10	Aruna Sugar	M	5.40	4.20	6.65
10	Amines Plastic	B	6.50	6.75	6.75	10	Aruna Sugar	B	11.25	11.25	6.10
10	Amitabh Mills	C	10.00	10.00	10.00	10	Aruna Sugar	Bg	6.60	6.60	6.00
10	Amuckie Tea	C	4.25	4.25	4.25	10	Aruna Sugar (New)	Bg	10.00	10.00	10.00
10	Amrit Banaspati Co.	D	6.44	6.37	8.25	10	Arundoday Mills	B	12.50	12.50	18.00
10	Amritanjani	M	25.00	25.00	25.00	10	Arunoday Mills	A	12.50	12.50	18.00
10	Amrit Villa Investments	C	4.15	4.00	4.00	100	Arvind Board	A	65.00	65.00	65.00
1000	Amritsar Sugar	D	350.00	350.00	350.00	100	Arvind Mills	A	270.00	290.00	280.00
10	Anandam Tea	M	11.75	11.75	11.75	10	Aryasthan Corporation	C	3.20	3.20	3.35
10	Anand Bag Tea	C	20.50	20.50	20.50	200	Aryodaya Spinning Mills	A	121.25	118.75	107.50
50	Anand Electric	B	45.00	45.00	45.00	200	Aryodaya Spinning Mills	A	115.00	142.50	156.25
2	Anapara Coffee	M	6.60	6.60	6.60	100	Asher Textile Mills	M	142.00	142.00	142.00
10	Andaman Timber	C	6.87	6.87	6.87	10	Ashim Investment	C	10.12	10.12	10.12
100	Andhra Bank	H	95.00	95.00	96.00	10	Ashish Investment	C	5.00	5.00	5.00
100	Andhra Bank	Bg	92.00	92.00	92.00	5	Ashok Leyland	M	10.30	10.50	12.05
100	Andhra Bank	M	95.00	95.00	103.00	5	Ashok Leyland	B	10.45	10.60	12.35
10	Andhra Cement	M	8.75	10.00	8.80	10	Ashoka Cement	B	2.00	2.00	2.00
100	Andhra Cotton	M	100.00	100.00	100.00	10	Ashoka Cement	C	0.95	0.95	0.95
100	Andhra Cotton Mills	H	75.00	75.00	75.00	10	Ashoka Cement	D	4.00	4.00	4.00
10	Andhra Farm Chemicals	H	10.00	10.00	10.00	100	Ashoka Marketing	D	101.00	101.00	101.00
10	Andhra Foundry	M	2.40	2.40	2.40	10	Ashoka Viniyoga	D	10.25	10.25	10.25
100	Andhra Mechanical	H	100.00	100.00	100.00	100	Asian Cables	B	70.00	75.50	89.50
100	Andhra Pradesh Paper	H	155.00	155.00	155.00	100	Asian Dehyd	B	13.00	13.00	13.00
100	Andhra Pradesh Paper	B	147.50	151.25	180.00	100	Asian Electronics	B	140.00	140.00	140.00
10	Andhra Pradesh Steel	H	10.00	10.00	10.00	10	Asiatic Oxygen	M	14.30	14.30	7.90
10	Andhra Pradesh Scooters	H	10.00	10.00	10.00	10	Asiatic Oxygen	B	8.15	8.15	8.15
5	Andhra Pradesh Scooters	H	5.00	5.00	5.00	10	Asiatic Oxygen	C	8.19	8.06	8.00
10	Andhra Pradesh Tanneries	H	10.00	10.00	10.00	100	Ashoka Mills	A	190.00	198.75	181.25
100	Andhra Printers	M	35.75	35.75	35.75	10	Aspinwall & Company	M	6.00	6.00	6.00
10	Andhra Steel	Bg	4.00	4.00	4.00	10	Aspinwall (Travancore)	M	12.25	12.25	12.25
10	Andhra Steel	C	4.12	4.12	4.12	10	Assam Asbestos	C	6.37	5.75	4.00
10	Andhra Steel	B	3.00	3.00	3.00	10	Assam Bengal Carriers	C	7.50	7.50	7.50
10	Andhra Steel (Right)	C	18.05	18.05	18.05	10	Assam Brook Estates	C	19.62	19.87	31.12
10	Andhra Sugar	M	11.50	11.75	14.00	10	Assam Carbon Pro.	C	7.31	7.31	3.56
100	Andhra Valley	B	104.00	107.00	112.50	10	Assam Hard Boards	C	3.25	1.00	1.06
10	Andrew Yule	C	2.04	3.50	5.37	3	Assam Saw Mills	C	2.19	2.40	2.19
10	Anglo Ameri Marine	C	4.00	4.00	4.00	100	Associated Bearings	B	248.75	260.00	270.00
10	Anglo Bros.	C	8.44	6.00	5.25	10	Associated Glass	H	3.75	3.75	3.75
100	Anglo French Textile	M	256.00	252.00	252.00	10	Associated Karampura	C	2.12	2.12	2.12
100	Anglo India Jute	C	61.00	77.00	72.00	10	Associated Laikdih	C	0.90	0.90	0.90
100	Anil Hardboards	B	22.50	22.50	55.00	100	Associated Pulp	B	35.00	35.00	35.00
100	Anil Starch	A	170.00	190.00	177.50	100	Associated Pulp	A	35.00	35.00	35.00
10	Anil Steel & Industries	D	9.00	9.00	9.00	100	Associated Rubber	B	125.00	125.00	150.00
10	Anil Steel	B	4.50	4.50	4.50	10	Associated Stone	B	8.15	8.15	8.15
10	Anniversary Investment	C	6.81	6.81	6.81	10	Atal Tea	C	2.75	2.75	2.75
10	Annapurna Paper	Bg	10.00	10.00	10.00	10	Atlas Copco	B	62.35	64.00	67.00
10	Annapurna Paper	C	10.31	10.06	3.56	10	Atlas & Union Jute	D	10.00	10.00	10.00
10	Antifriction Bearing	B	14.35	14.25	16.50	2	Attikhan Coffee	M	5.00	5.00	4.00
10	Anuh Pharma	B	6.50	6.50	6.50	100	Atul Products	A	393.75	390.50	425.75
100	Anup Engineering	A	170.00	175.00	185.00	100	Auckland Jute	C	30.25	20.25	33.50
10	Anuradha Investment	C	2.65	2.60	2.25	50	Autofin Ltd.	H	45.00	45.00	45.00
10	Apex Holdings	C	2.87	2.87	2.87	10	Automobile Products	B	4.24	4.76	5.00
10	Apollo Tubes	D	6.44	5.62	8.62	10	Avery India	C	37.12	27.87	34.37
10	Apollo Tubes	M	6.10	6.10	6.10	10	A.V. Thomas (Alleppey)	M	13.45	13.45	13.45
10	Apollo Tubes	B	5.85	5.75	8.75	10	A.V. Thomas (India)	M	6.61	6.61	6.61
10	Apollo Tyres	B	4.50	5.25	5.25	10	Awanti Fibres Industries	C	5.82	5.70	4.25
10	Apollo Tyres	D	4.12	4.12	4.12						
10	A.P.V. Engineering	C	3.06	3.06	3.06						
10	Aradhana Investment	C	2.50	2.41	4.75						

Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=—
Bangalore=Bg, Madhya Pradesh =Mp.

EQUITY SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77 31-3-78						Diwali 31-12-77 31-3-78		
			S.Y. 2034						S.Y. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
	'B'					10	Bellagachi Tea	C	17.00	17.00	17.00
						10	Bellagraphic Record	C	15.00	15.00	15.00
5	Bababudin Coffee	M	5.50	5.50	5.50	10	Bellagraphic Record	B	8.00	8.00	8.00
2	Badra Coffee	M	4.70	4.30	5.00	7.50	Belsund Sugar	C	3.90	6.75	6.37
2	Badra Coffee	Bg	4.39	4.39	4.39	10	Benaras Electric	C	2.75	2.75	2.50
10	Bagalkot Cement Udyog	B	5.00	6.00	6.00						
10	Bagalkot Cement Udyog	D	13.15	13.15	13.15	10	Bengal Arc Steel	C	4.56	4.56	4.56
						100	Bengal Assam Steamship	C	81.00	81.00	81.00
10	Bagdigi Kujma Coal	C	3.81	3.81	3.81	10	Bengal Bhatdee Coal	C	0.50	0.55	0.55
10	Bagmari Tea	C	12.75	12.87	7.00	100	Bengal Chemicals	C	36.00	36.00	36.00
10	Baitakhal Tea & Fibre Industries	C	3.56	3.56	3.56	500	Bengal Bonded Ware-house				
100	Bajaj Auto	B	305.00	295.00	372.50		A-Share	C	219.00	219.00	219.00
10	B. A. & Brothers	C	10.00	10.06	10.06						
						62.50	Bengal Bonded Ware-house				
100	Bajaj Electricals	B	51.50	50.25	77.00		B-Share	C	27.75	27.75	27.75
100	Bajaj Electricals	D	95.00	95.00	95.00	100	Bengal Bonded Ware-house				
10	Bajaj Electricals (Defd.)	B	40.50	40.50	40.50		C-Share	C	59.00	59.00	59.00
10	Bajaj Plastics	B	2.50	2.50	2.50	12.50	Bengal Bonded Ware-house				
10	Bajaj Tempo	B	35.25	39.50	48.00		D-Share	C	8.00	8.00	8.00
						10	Bengal Ferro Alloys	B	1.00	1.00	1.00
10	Bajrang Finance	C	4.10	4.10	4.10	10	Bengal Ferro Alloys	C	5.00	5.00	5.00
10	Balaji Investment	C	10.00	5.25	5.25	10	Bengal Flour	C	8.56	8.44	9.25
10	Balanoor Tea	M	26.75	23.25	23.25	10	Bengal Ingot Co.	C	7.06	7.06	7.06
10	Balanoor Tea	Bg	22.00	22.00	28.25						
10	Balasubramania Mills	M	6.77	6.77	6.77	10	Bengal Jute	C	3.25	3.25	3.84
						10	Bengal Nagpur Coal	C	1.25	1.05	1.05
100	Balakrishana Paper	B	36.00	36.00	36.00	10	Bengal National Textile	C	9.30	9.82	9.82
10	Ballarpur Paper Industries	D	27.00	26.87	29.50	10	Bengal Paper Mills	C	5.50	5.62	5.06
10	Ballarpur Paper Industries	C	27.80	27.30	30.40	2.50	Bengal Potteries	D	1.88	1.88	1.88
10	Ballarpur Paper Industries	B	27.75	27.50	30.00						
10	Bally Jute	C	6.50	7.62	7.19	2.50	Bengal Potteries	C	0.66	0.66	0.66
						100	Bengal Timber	C	3.75	3.75	3.75
100	Balmer Lawrie	C	55.50	68.00	88.00	10	Bengal Tools Ltd.	C	10.37	10.37	10.37
2.50	Balrampur Sugar	C	2.44	2.12	2.50	10	Best & Crompton	M	9.20	10.75	15.85
100	Banarhat Tea	C	141.50	130.00	210.00	10	Best & Crompton	B	9.25	11.00	16.00
10	Bangaluxmi Investment	C	1.50	1.50	2.31						
10	Bangalore Fort Farms	C	6.25	6.25	6.25	10	Bestobell India	C	4.81	4.62	5.12
						10	Bhagalpore Electric	C	4.12	4.12	4.12
10	Bangalore Printing	M	5.10	5.10	5.10	3	Bhagat Industrial Corp.	D	2.50	2.50	2.50
10	Bangalore Printing	Bg	4.75	4.75	4.75	100	Bhagavathi Textile Mills	M	100.00	100.00	100.00
10	Bangalore Rolling	Bg	10.80	10.80	10.80	10	Bhagwati Oxygen	B	1.24	1.24	1.24
5	Bank of Madura	M	3.25	3.25	3.45						
100	Bankura Damodar Rly.	C	7.56	14.00	14.00	10	Bhagwati Oxygen	D	2.00	7.12	7.12
						10	Bhagwati Pressing	C	8.25	8.25	8.25
10	Bararee Coke Company	C	0.45	0.45	0.50	10	Bhagyoday Investment	B	2.00	2.00	2.00
10	Barduar Tea Timber	C	8.50	8.50	8.50	100	Bhalakia Mills	A	60.00	60.00	40.00
10	Bareilly Holdings	C	10.12	10.12	10.06	100	Bharat Bijlee	B	158.00	150.00	155.00
£ 5	Baranagore Jute	C	25.00	35.00	29.00						
100	Barium Chemical	B	27.00	27.00	26.00	10	Bharat Carbon	D	7.50	7.50	7.50
						10	Bharat Carpets	D	10.50	10.50	10.50
100	Baroda Electric Meters	B	15.00	15.00	12.00	10	Bharat Commerce	B	17.25	16.25	18.00
100	Baroda Electric Meters	A	15.00	15.00	12.00	10	Bharat Commerce	D	19.00	19.09	10.09
100	Baroda Rayon	B	148.00	156.50	187.00	10	Bharat Commerce	C	17.81	16.62	18.12
100	Baroda Rayon	A	146.00	156.00	182.00						
10	Basant Paper	C	10.75	10.75	11.00	100	Bharat Fertiliser	B	115.00	115.00	50.00
						10	Bharat Forge	B	13.50	14.75	13.50
10	Basanti Mills	C	10.62	10.62	2.06	10	Bharat Gears	B	5.75	5.65	7.50
10	Basf Ltd.	B	39.75	46.85	50.25	10	Bharat Gears	D	5.87	5.50	8.00
10	Basmatia Tea	C	14.75	14.25	20.56	25	Bharat Jute	C	6.12	6.12	6.12
10	Bassein Electric	B	9.50	9.50	9.50						
100	Basti Sugar 'A'	C	90.50	90.50	90.50	1	Bharat Lime	B	1.50	1.50	1.50
						10	Bharat Nidhi	C	2.25	2.25	2.62
100	Basti Sugar 'A'	D	95.00	95.00	95.00	2.50	Bharat Nidhi (Partly Paid)	D	0.30	0.30	0.30
10	Basti Sugar 'B'	D	3.87	3.87	3.87	10	Bharat Nidhi	C	2.00	2.94	2.87
10	Bata India Ltd.	B	23.50	23.50	24.25	10	Bharat Nidhi	B	1.86	1.86	1.86
10	Bata India Ltd.	C	22.75	23.12	24.75						
10	Bateli Tea	C	17.25	17.25	17.37	2.50	Bharat Nidhi	B	0.30	0.30	0.30
						10	Bharat Rubber Reg.	C	4.94	5.75	5.75
100	Bayer (India)	B	316.25	322.50	345.00	10	Bharat Steel Tube	B	8.75	8.75	6.75
1.50	B. B. Petrol	B	0.26	0.40	0.40	10	Bharat Steel Tube	D	8.75	8.75	8.75
25	B'bay Burmah	B	43.00	47.25	51.75	10	Bharat Steel Tube	C	22.00	22.00	22.00
10	B. D. Steel Castings	B	6.75	6.75	6.75						
5	Be Be Rubber	M	2.85	2.85	2.60	10	Bharat Starch	C	12.75	12.75	12.75
						10	Bharat Sugar	C	11.75	11.06	9.50
250	Bechardas Spinning Mills	A	125.00	125.00	125.00	100	Bharat Suryodaya Mills	A	73.00	75.00	83.00
10	Beco Engineering	B	6.00	6.50	5.75	100	Bharat Vijay Mills	A	355.00	338.75	412.50
10	Beco Engineering	D	5.12	5.12	5.12	100	Bharatia Company	C	37.60	37.60	37.60
25	Bejoynagar Tea	C	30.25	30.25	34.00	10	Bharatia Commercial	C	3.90	3.90	3.90
50	Belapur Sugar	B	23.00	22.00	18.25	10	Bharatia Elec. Steel	C	9.00	8.25	9.06

Notes: Ahmedabad=A, Bombay=B, Bangalore=Bg, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Madhya Pradesh=Mp, Exchange=Ex and Issue Price=°

EQUITY SHARES (Contd)

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Paid up per share	NAME OF SCP PT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.Y. 2034	31-12-77	31-3-78				Diwali S.Y. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.				Rs. P.	Rs. P.	Rs. P.
10	Bharatia Sons	C	2.90	2.90	3.05	10	Britannia Biscuits	B	21.50	21.65	24.50
10	Bhareech Investment	C	5.00	5.00	5.00	10	Britalite Carbon	A	6.50	6.50	7.50
10	Bhaskar Textile Mills	C	1.75	1.75	1.75	10	Britalite Carbon	B	6.50	6.50	7.50
10	Bhatkwa Tea	C	13.62	20.00	19.25	5	British India Corporation	D	1.24	1.24	1.50
10	Bhawani Tea & Produce	Bg	3.00	3.00	3.00	5	British India Corporation	D	1.72	1.72	1.62
10	Bhavani Textile Mills	M	7.69	7.69	7.69	5	British India Corporation	C	2.00	1.84	1.56
10	Bhilai Wires Ltd.	B	2.00	2.76	4.00	10	British Paints (India)	C	11.00	12.69	17.75
10	Bhilwara Synthetic	D	10.00	10.00	10.00	10	Brook Bond (India)	C	15.60	13.50	13.50
10	Bhopal Sugar	B	15.50	14.75	14.75	10	Brook Bond India (Right)	C	13.55	13.55	13.55
10	Bhoruka Finance	B	6.25	6.25	6.25	10	Brunton Engineering	M	2.00	2.00	2.00
10	Bhoruka Steel	Bg	7.20	7.20	6.40	10	Budge Budge Jute	C	1.62	1.00	1.44
10	Bhoruka Steel	B	7.25	7.25	5.75	10	Bundy Tubeing	M	7.20	7.10	6.80
10	Bhulanbararee Coal	D	8.56	8.56	8.56	10	Bundy Tubeing	A	7.50	7.10	6.90
10	Bhushan Commercial	C	1.00	1.00	1.37	100	Burdwan Cutvar Rly.	C	82.00	82.00	82.00
200	Biecco Lawrie	C	2.12	2.12	2.00	10	Burma Limes	C	3.25	3.25	3.25
10	Bihar Alloy Steels	C	7.69	8.50	7.94	17.50	Burma Mines	C	1.00	1.00	1.00
10	Bihar Alloy Steels	B	7.50	8.50	8.35	100	Burn & Co.	C	10.50	10.50	10.50
10	Bihar Alloy Steels	D	8.00	8.37	8.25	10	Burrakur Coal (Hand)	C	0.22	0.40	0.50
10	Bihar Foundry Castings	C	2.25	2.25	2.25						
10	Bihari Mills	A	197.50	197.50	197.50						
10	Bihariji Finance	D	3.50	3.50	3.50	10	Cadbary (Bublic)	B	15.50	16.00	20.50
100	Bijni Dooars	C	10.37	10.50	10.50	10	Calcutta Chemical	C	8.62	8.62	6.75
5	Bilaspur Spg.	B	4.50	4.76	7.00	10	Calcutta Credit Corp.	C	8.20	8.20	8.20
10	Bilaspur Spg.	D	6.75	6.75	4.50	£ 1	Calcutta Electric	C	10.37	12.12	12.06
10	Bilaspur Spg.	C	6.87	6.87	6.50	10	Calcutta Gas	C	0.30	0.30	0.30
10	Binani Metal	C	2.06	2.00	2.37	100	Calcutta Investment	C	45.00	46.00	46.00
10	Binny Ltd.	M	19.75	21.00	22.00	10	Calcutta Jute	C	4.50	4.50	4.50
10	Bio Chemical & Syn.	H	4.00	4.00	4.00	10	Calcutta Landing	C	10.00	10.00	10.00
10	Birla Cotton Mills	C	11.00	11.00	10.12	5	Calcutta Security Printers	D	5.31	5.31	5.31
10	Birla Jute (Hand)	C	33.37	33.50	40.25	5	Calcutta Security Printers	C	—	—	4.40
10	Birds Jute & Exports	C	5.69	5.69	5.69	10	Calcutta Security Printers	C	—	—	8.12
10	Bishnauth Tea	C	16.75	17.06	24.62	10	Calcutta Silk Mfg.	C	7.37	7.37	7.50
10	Bisra Stone Lime	C	7.44	7.44	8.62	10	Calcutta Steel	C	4.00	3.87	4.62
10	Bloomfield Tea	C	6.60	6.60	6.60	£ 1	Calcutta Tramways	C	5.87	5.87	5.87
10	Blow Plast	B	11.50	11.25	14.25	100	Caledonian Jute	C	37.50	40.00	38.00
20	Blue Chips Investment	C	2.65	2.65	2.65	125	Calico Mills	A	279.00	279.50	316.00
25	Blue Horizon Investment	C	10.00	10.00	10.00	100	Cambay Investment	C	84.00	84.00	85.00
100	Blue Star Engineering	B	15.00	14.65	18.00	100	Camperdown Pressing	C	120.00	120.00	120.00
10	Blundel Eomite	B	16.00	15.00	15.75	100	Camphor & Allied	B	247.50	250.00	230.00
100	Boehringer-Knoll	B	20.50	20.25	22.25	10	Canara Land Investment	Bg	7.82	7.82	7.82
50	Bombay Cycle	B	23.25	23.25	24.50	10	Canara Steel	Bg	3.00	3.00	3.00
100	Bombay Dyeing	B	71.50	80.00	84.00	10	Canara Steel	B	1.50	1.50	1.50
5	Bombay Oxygen	B	102.50	106.00	118.00	10	Canara Work Shop	M	12.70	12.70	12.70
10	Bombay Paints	B	8.25	7.40	7.75	100	Carborundum	M	240.00	264.00	262.00
100	Bombay Potteries	B	25.00	25.00	23.00	10	Carbon Corporation	B	8.25	8.25	9.15
10	Bombay Silk Mills	B	42.00	42.00	44.00	10	Carew & Co.	C	6.12	5.37	6.81
10	Bombay Suburban Electric	B	115.00	112.50	135.00	100	Carona Sahu	B	81.00	80.00	80.00
50	Bombay Swadeshi Stores	B	3.00	3.00	3.00	100	Cauvery Sugar	M	24.00	24.00	24.00
10	Bombay Wires	B	5.00	5.00	5.00	5	Cawnpore Textile Mills	C	0.72	0.75	1.00
10	Bond Co.	D	116.00	116.00	114.00	10	Cawnpore Sugar	C	3.15	3.15	3.12
10	Boots Pure Drug	B	23.25	22.65	27.25	100	Ceat Tyres	B	183.75	187.50	175.00
10	Boots Pure Drug (New)	B	22.25	22.25	22.25	10	Cede Investment Ltd.	D	10.00	10.00	10.00
100	Borax Morarji	B	70.00	88.00	121.25	10	Cede Investment	C	10.06	10.12	10.06
50	Bormahajan Tea	C	10.00	10.00	14.62	10	Geekay Auto	B	7.00	5.00	9.00
100	Borosil Glass	B	16.50	17.00	14.75	100	Cellulose Products	A	208.25	217.50	217.50
10	Borrea Coal	C	0.25	0.25	0.25	10	Cement Distributors	D	9.75	9.75	9.75
10	Bowreah Cotton Mills	C	7.50	7.31	9.37	10	Cement Distributors	C	9.75	9.75	9.57
10	B.R. Cotton	B	12.00	12.00	12.00	10	Central India Industries	Mp	23.50	23.50	23.50
10	Bradbury Mills	B	14.00	14.00	14.00	10	Central India Industries	D	28.00	29.50	30.50
10	Brady & Morris	B	35.00	35.00	40.00	10	Central India Machinery	B	6.00	6.00	6.50
10	Braithwaite & Co. India	C	1.00	1.00	1.00	50	Central India Spg.	B	17.50	21.00	21.50
10	Bright Wires Ltd.	B	8.00	8.00	8.00	10	Central Kurkend Coal	C	1.00	1.00	1.00
10	Bright Wires Ltd.	C	5.10	5.10	5.10	100	Central Provinces Rly.	B	24.00	24.00	20.00
10	Brindavan Alloys	Bg	10.00	10.00	10.00	5	Central Scientific	M	4.15	4.15	3.65
10	Britannia Biscuits	C	21.16	21.50	24.25	10	Centron Ind. Alliances	B	1.57	1.24	4.36

Note :—Ahmedabad—A, Bombay—B, Bangalore—Bg, Calcutta—C, Delhi—D, Hyderabad—H, Madras—M, Madhya Pradesh—Mp, Exchange=Ex, and issue Price=*

EQUITY SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77 31-3-78						Diwali 31-12-77 31-3-78		
			S.Y. 2034	S.Y. 2034	S.Y. 2034				S.Y. 2034	S.Y. 2034	S.Y. 2034
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
10	Centron Ind. Alliances	A	1.76	1.24	4.36	10	Consolidated Coffee	M	29.75	28.25	33.50
100	Century Enka	B	487.50	498.00	461.00	10	Consolidated Coffee	Bg	30.00	30.00	33.50
100	Century Enka (New)	B	512.50	512.50	512.50	7.50	Consolidated Steel	D	3.25	2.50	3.37
100	Century Enka	D	500.00	500.00	500.00	10	Conoor Tea	M	38.75	39.50	37.00
100	Century Spg. Mills	B	492.00	497.00	551.50	100	Cooper Engineering	B	22.00	23.00	23.00
100	Century Spg. Mills	A	492.50	498.00	550.00	2	Coorg Tea	M	4.65	3.00	4.45
100	Century Spg. Mills	D	491.50	499.00	551.50	2	Coorg Tea Company	Bg	4.10	4.10	4.10
100	Century Spg. Mills	C	491.50	497.00	530.00	100	Cooria Spg. Mills	B	57.00	57.00	71.50
10	Challapalli Sugar	M	5.75	5.75	5.75	10	Coromandel Engg.	M	11.50	11.50	11.50
10	Champdany Jute	C	7.06	7.12	7.12	10	Coromandel Agro Products	H	10.00	10.00	10.00
10	Chamong Tea	C	4.94	5.00	5.06	10	Coromandel Fertilizer	H	34.00	34.00	35.75
10	Champaklal Investment	Bg	9.50	9.50	9.50	10	Coromandel Fertilizer	M	34.50	34.50	34.50
10	Champaran Sugar	C	5.50	5.50	7.75	10	Coromandel Fertilizer	B	30.00	34.85	37.50
2	Chandramalai	M	2.80	2.75	3.00	10	Coromandel Fertilizer	D	30.00	34.25	35.25
10	Chankya Investment	B	6.00	6.00	6.05	50	Corporation Bank	M	53.90	53.90	53.90
100	Chaparmukh Silghat Rly.	C	7.00	7.00	7.00	50	Corporation Bank (New)	Bg	54.00	54.50	54.50
10	Chase Bright Steel	B	4.00	4.00	4.76	50	Cottanad Rubber	Bg	—	50.00	50.00
10	Chase Bright Steel	C	10.00	10.00	10.00	10	Cottonad Rubber	M	9.00	9.00	9.00
10	Chowgule Steam	B	16.00	16.00	11.50	2	Cowcoody Coffee	M	6.50	6.60	6.30
2	Chembra Peak Tea	M	3.35	3.15	4.10	100	Crompton Greaves	B	195.00	223.25	267.50
10	Chemical & Fibres	C	25.30	25.15	27.40	100	Crompton Greaves	D	210.00	210.00	210.00
10	Chemical & Fibres	B	25.25	25.25	27.25	100	Crompton Greaves	C	227.00	227.00	227.00
100	Chemical & Plastics	M	120.00	120.00	120.00	10	Cryogenics India	C	9.75	9.75	9.75
100	Chemical & Plastics	B	127.00	124.00	124.00	100	C.T.R. Mfg.	B	94.00	94.00	94.00
100	Chemicoat	B	32.00	42.00	70.00	10	Curewell (India)	D	14.25	14.25	14.25
						10	Curewel (India)	B	14.50	13.75	15.50
25	Chemo-Pharma	B	14.00	11.00	14.00		'D'				
10	Chemopulp Tissues	B	6.00	6.00	6.00						
10	Chemopulp Tissues	D	6.56	6.56	6.56						
10	Chemopulp Tissues	C	7.87	7.50	6.50	10	Dabriwala Steel	C	3.20	3.20	3.20
5	Cherra-Chhatak Rope	C	2.06	2.06	2.06	10	Dabriwala Steel	B	19.00	19.00	19.00
						100	Dalhousie Jute	C	26.00	26.00	48.00
10	Chertinad Cement	M	2.50	3.00	3.30	10	Dalmia Cement (Bharat)	D	16.25	17.50	22.12
3	Cheviot Jute	C	1.44	2.25	1.37	10	Dalmia Cement (Bharat)	B	16.50	17.75	24.75
10	Chitavalsah Jute	C	4.75	5.00	6.25						
10	Chloride India	C	35.45	37.20	44.05	10	Dalmia Cement (Bharat)	M	16.25	17.60	24.25
10	Chora Investment	C	1.90	1.90	2.00	10	Dalmia Cement (Bharat)	C	16.37	18.44	22.06
						10	Dalmia Dairy Ind.	D	11.00	11.00	35.00
10	Chrestian Mica	C	0.50	0.50	0.50	5	Dalmia Dairy Industries	D	19.50	19.50	19.50
5	Chrestian Mica (Defd.)	C	3.12	3.12	3.12	100	Damodar Enterprises	D	110.50	110.50	110.50
100	Citric India	B	58.00	55.00	48.00						
10	Citurgia	B	14.00	14.75	18.25	100	Damodar Enterprises	C	25.50	25.50	25.50
10	Citurgia	A	13.35	15.00	18.35	10	Darjeeling Ropeway	C	1.25	1.25	1.25
150	Clive Buildings	C	228.00	228.00	228.00	100	Darjeeling Tea	C	63.00	52.00	52.00
10	Clive Row Investment	C	5.75	5.75	5.75	10	Duaracherra Tea	C	7.62	7.62	7.62
10	Coastal Paper	H	10.00	10.00	10.00	10	Davanagere Sugar	Bg	6.00	6.00	6.00
10	Coats of India	D	—	16.25	19.00						
5	Coats of India	D	8.00	—	—	100	Davanagere Cotton Mills	Bg	119.00	109.00	120.00
10	Coats of India	B	—	17.00	18.50	100	Davanagere Textile Mills	B	118.00	118.00	118.00
5	Coats of India	B	8.00	—	—	4.50	Davy Ashmore India	C	—	6.00	5.75
5	Coats of India	C	9.00	—	—	50	Dawn Mills	B	70.00	69.00	80.00
10	Coats of India	C	—	17.25	18.50	100	D.B.R. Mills	H	42.00	42.00	70.00
3	Cochin Malabar	B	3.90	3.90	3.90						
						5	Deccan Sugar	M	1.90	2.40	2.60
3	Cochin Malabar	M	3.55	3.50	3.90	10	Deccan Wires	H	10.00	10.00	10.00
2	Cochin Plantation	Bg	2.25	2.25	2.25	10	Deccan Wires	Bg	6.00	6.00	4.00
100	Cochin Refinery	B	138.75	128.00	170.00	10	Deejo Valley Tea	C	6.31	6.31	6.31
10	Coffee Lands	M	29.75	30.00	21.33	100	Deepak Cable	B	80.00	80.00	80.00
10	Coffee Lands	Bg	31.00	32.00	20.67	10	Deepak Industries	C	4.25	4.25	4.25
100	Coimbatore Cotton Mills	M	62.00	62.00	90.00	100	Deepak Insulated Cables	M	135.00	135.00	135.00
100	Coimbatore Kamala Mills	M	77.50	77.50	77.50	100	Deepak Insulated Cables	Bg	84.00	60.00	71.50
50	Coimbatore Kamala Mills	M	37.75	37.75	37.75	10	Deepak Nitrite	B	27.00	28.25	34.75
100	Coimbatore Pioneer Fertilizer	M	100.00	100.00	100.00	10	Deepak Nitrite (Bonus)	B	25.75	28.25	—
100	Coimbatore Pioneer Textile Mills	M	60.00	60.00	112.00						
100	Colour Chem	B	235.00	245.00	257.50	10	Deepraj Investment	D	8.50	8.50	8.50
10	Cominco Binari	M	5.65	5.65	5.56	100	Dehradun Tea	C	101.00	242.00	242.00
10	Cominco Binani	C	10.31	10.31	7.94	25	Delhi Cloth Mills	D	31.34	31.06	37.62
10	Commerce (1935)	B	3.24	3.24	3.24	10	Delhi Flour Mills	D	12.00	12.00	7.50
250	Commercial Ahmedabad Mills	A	105.00	100.00	100.00	10	Delhi Safe Deposits	D	6.00	6.00	6.00
						10	Delta Investments	A	5.00	5.00	5.00
						4	Delta Jute	C	1.94	2.78	2.44
						100	Dempo Steamships	B	435.00	330.00	287.50

Note: A, Ahmedabad; B, Bombay; Bg, Bangalore; Bg, Calcutta; C, Delhi; D, Hyderabad; H, Madras; M, Madhya Pradesh; Mp, Exchange; Ex, and issue Price—

EQUITY SHARES (Contd)

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77	31-3-78					Diwali 31-12-77	31-3-78	
			S.Y. 2034						S.Y. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
100	Fort Gloster Industries	C	101.00	90.00	80.00	100	Goodlass Nerolac	B	300.00	272.00	295.00
10	Fort William Jute	C	5.00	5.12	4.00	10	Good year India	C	10.75	10.56	10.81
5	Frank Ross & Co.	C	1.19	1.19	0.75	10	Good Year India	D	10.62	10.75	10.00
10	Fraser & Co.	C	2.50	2.50	2.50	10	Good Will India Ltd.	D	12.00	12.00	12.00
10	French Motor Car Co.	C	14.12	14.12	14.12	10	Gopi Chand Textile	D	10.25	10.25	10.25
10	Frick India	D	7.25	7.25	9.50	10	Gourangdi Coal	C	2.50	2.50	2.50
100	Fuel Injections	B	56.00	56.00	66.00	10	Gourepura Jute	C	3.00	4.06	3.50
100	Futwa Islampur Rlys.	C	6.50	6.50	6.50	10	Govinda Sugar	C	10.25	10.25	10.25
	'G'					10	Graham Firth	B	13.85	16.00	17.25
100	Gaekwar Mills	B	58.00	55.00	54.00	10	Gramophone Co.	C	24.12	22.00	27.12
100	Gajraj Pannalal Mills	C	116.00	116.00	116.00	10	Gramo phone Co. (New)	C	21.50	-	-
10	Galada Continuous	H	10.00	10.00	10.00	10	Graphite India	B	25.75	25.25	24.50
10	Gammon India	B	11.25	11.50	16.00	10	Graphite India	C	26.50	25.37	25.00
10	Gangappa Cables	H	6.00	6.00	6.00	10	Graur & Well	B	7.50	8.00	8.25
10	Gangappa Cables	B	10.00	10.00	5.00	10	Graur & Well (India)	D	7.25	7.87	8.00
12.50	Ganesh Flour	D	3.50	3.50	3.50	100	Great Eastern Hotel	C	199.00	199.00	199.00
10	Gangavati Sugars	Bg	10.00	10.00	10.00	10	Great Eastern Shipping	B	14.00	11.00	9.50
10	Gangeshwar Sugars	D	7.87	7.87	7.06	100	Greaves Cotton	C	167.50	152.00	172.50
10	Ganges Jutes	C	1.75	1.75	1.75	100	Greaves Cotton	C	192.00	192.00	70.00
100	Ganges Rops	C	100.00	85.00	85.00	7.5	Greaves Lom (F10)	B	5.85	5.85	-
10	Garuda Investment	C	-1.62	1.62	1.62	10	Greaves Lom (F10)	B	-	-	12.75
10	Garware Nylons	M	20.00	19.25	21.75	5	Grob Tea	C	6.31	6.12	9.75
10	Garware Nylons	D	20.06	22.00	25.50	10	Guest Keen Williams (Hand)	C	17.90	19.90	28.85
10	Garware Nylons	C	20.00	21.37	24.75	10	Gujrat Alkalies & Chem	A	9.87	8.50	16.50
10	Garware Nylons	B	20.50	22.15	25.75	10	Gujrat Alkalies & Chem	B	9.75	9.50	11.00
10	Gayday Iron & Steel	C	2.00	2.00	2.00	10	Gujrat Alkalies & Chem	D	9.75	8.75	10.87
100	G. Calaridge	B	100.00	105.00	110.00	10	Gujrat Auto	B	6.65	6.65	3.36
100	Geep Flashlight	D	60.00	60.00	60.00	100	Gujrat Chem. Dist.	A	145.00	166.25	202.50
10	General Electric Co. (Right)	C	12.87	12.87	12.87	100	Gujrat Ind. Truck	B	10.00	10.00	10.00
10	General Electric Co.	C	11.06	11.50	16.44	100	Gujrat Ind. Trucks	A	10.00	10.00	10.00
100	General Electro	B	117.00	125.00	145.00	100	Gujrat Machinery	A	87.00	91.00	101.00
10	General Industrial	C	8.50	8.56	9.75	100	Gujrat Machinery	B	87.00	91.00	101.00
100	General Investment	C	110.00	110.00	108.00	10	Gujrat Mini Steel	B	2.00	3.50	2.50
10	German Remedies	B	22.25	21.75	26.50	10	Gujarat Mini Steel	A	2.00	3.50	2.50
10	German Remedies	D	23.25	23.25	23.25	10	Gujrat Oxidant	B	3.00	3.00	3.68
100	G.G. Dandekar	B	60.00	80.00	72.00	75	Gujrat Safe	B	70.00	70.00	7.00
10	Ghusick & Muslia Coal	C	7.00	7.00	7.00	100	Gujrat State Fertilizer	M	560.00	565.00	581.00
10	Giell Investment	C	5.94	5.94	5.94	100	Gujrat State Fertilizer	A	552.00	569.00	582.00
10	Gillanders Arbuthnot	C	15.06	14.50	17.44	100	Gujrat State Fertilizer	D	595.00	595.00	548.00
10	Giallapukri Tea	C	9.00	9.00	9.00	100	Gujrat State Fertilizer	B	551.00	569.00	581.00
10	Gian Agro Industries	D	5.50	5.50	5.50	100	Gujrat Steel Tubes	B	160.00	160.00	180.00
125	Girdhardas Harivallabhdas	A	90.00	90.00	40.00	100	Gujrat Steel Tubes	A	162.00	168.00	175.50
10	Giri Finance & Trade	C	2.00	2.00	2.00	100	Guj chem Dist	B	146.00	143.75	162.50
10	G.L. Hotels	B	6.25	6.00	6.50	10	Gwalior Rayon Silk	C	42.50	42.50	41.25
10	G.L. Hotels	D	6.00	6.00	6.50	10	Gwalior Rayon Silk	Bg	43.30	43.30	45.00
10	Glaxo Laboratories	B	22.25	20.25	22.75	10	Gwalior Rayon Silk	B	42.50	42.10	47.10
100	Globe Auto	B	35.00	29.00	29.00	10	Gwalior Rayon Silk	D	42.75	42.04	46.81
10	Globe Auto (Gujrat)	B	10.50	10.50	10.50	10	Gwalior Rayon Silk	Mp	45.00	42.00	42.00
100	Globe Motors	D	22.00	22.00	22.00	100	Gwalior Sugar	B	78.00	135.00	135.00
10	Globe Steel	B	4.50	4.50	4.50	10	Gwalior Tools	C	9.56	9.56	9.56
100	Gnanambikai Mills	M	100.00	100.00	100.00	10	Gwalior Webbing	D	11.50	11.50	11.50
10	Goa Carbon	B	5.00	5.00	4.50		'H'				
10	Godavari Plywoods	H	10.00	10.00	10.00	10	Hada Steel Products	D	10.00	10.00	8.00
5	Godavari Plywoods	H	5.00	5.00	5.00	10	Hada Textile Mills	C	12.00	8.00	8.50
10	Godfrey Phillips	B	7.15	7.00	9.50	10	Hada Tools	C	8.00	8.00	8.00
10	Godfrey Phillips	C	7.25	6.94	9.37	10	Halleyburia Tea	M	13.15	13.15	13.15
10	Godfrey Phillips (New)	C	13.19	13.19	-	10	Halleyburia Tea	B	6.15	6.15	6.15
10	Gohapur Tea	C	17.00	17.00	17.00	10	Haruman Tea	C	14.20	14.20	14.20
100	Gokak Mills	B	180.50	149.00	158.50	10	Hapjan Punjab Tea	C	12.50	12.50	12.50
2	Gokul Rubber	M	3.00	3.00	3.00	10	Haryana Breweries	D	2.75	1.25	2.00
100	Gold Mohur Mills	B	62.00	62.00	61.00	10	Haryana Breweries	B	1.00	1.50	1.50
10	Golden Tobacco	B	8.50	7.50	8.00	10	Haryana Coated	D	5.00	5.00	5.00
10	Golden Tobacco	A	8.85	7.50	7.75	10	Haryana Electric	B	1.24	1.24	1.24
10	Golden Tobacco	D	8.50	7.50	7.81	10	Haryana Electro St.	D	9.00	9.00	9.00
10	Golden Tobacco	B	10.75	10.75	10.75	10	Haryana Oxygen	D	9.00	9.00	9.00
10	Gontermann Peipers	C	9.00	9.00	9.00	10	Haryana Steel & Alloy	D	9.50	9.50	9.50

Note:—Ahmedabad=A, Bombay=B, Bangalore=Bg, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Madhya Pradesh=Mp, Exchang=Ex, and issue Price=*

EQUITY SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77	31-3-78					Diwali 31-12-77	31-3-78	
			S.Y. 2034						S.Y. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
10	Denison Hydraulics	H	10.00	10.00	10.00	100	Elcon Engineering	B	240.00	266.25	220.00
5	Denison Hydraulics	H	—	5.00	5.00	100	Elcon Engineering	A	257.50	245.00	317.50
10	Deoria Sugar	C	5.00	5.00	5.00	10	Electric Construction	C	8.84	7.12	10.00
10	Depro Foods	D	4.50	4.50	4.50	10	Electric Mfg. Co.	C	4.56	4.50	5.38
10	Derco Cooling Coils	H	10.00	10.00	10.00	100	Electrical Instruments	A	51.00	51.00	51.00
10	Derby Tea & Industries	C	18.12	11.00	18.00	10	Electro Equipment	B	1.76	1.76	1.76
10	Detargents India	H	10.00	10.00	10.00	10	Electro Steel Casting	B	20.00	18.75	21.50
10	Devashola Tea	M	13.00	12.75	12.75	10	Electro Steel Casting	D	27.20	27.20	21.72
10	Devidayal Electric	B	9.00	9.00	9.00	10	Electro Steel Casting	C	19.37	19.31	20.37
10	Dovon Tea	M	23.25	23.25	23.25	10	Electronics	D	5.00	5.00	8.00
10	Devon Tea	Bg	22.00	22.00	29.00	10	Elgi Equipments	M	30.25	27.50	16.75
10	Dey-Se-Chemical	C	5.00	5.00	5.00	10	Elgi Equipments	Bg	31.00	31.00	15.75
100	Dhanalakshmi Mills	M	73.25	78.00	98.00	10	Elgi Rubber	M	11.25	11.25	11.25
50	Dharamsi Chemicals	B	162.50	165.00	195.00	10	Elgin Mills	C	2.81	2.81	3.37
10	Dhelakhat Tea	C	16.75	17.06	19.25	100	Ellenbarri Tea	C	65.50	65.50	65.50
100	Dharangadhra Chemical	M	95.00	95.00	59.00	10	Ellenbarri Industries Gases	C	8.00	5.10	5.10
100	Dharangadhra Chemical	D	89.00	54.00	54.00	10	Ellore Engineering	M	10.25	10.25	10.25
100	Dharangadhra Chemical	B	54.00	60.00	59.00	50	Elphinstone Mills	B	15.00	14.00	14.50
100	Dharangadhra Chemical	C	76.00	76.00	76.00	100	Elpro International	B	105.00	106.00	117.00
10	Dhunerji Tea & Industries	C	13.87	13.31	14.50	10	Eltex	M	4.00	4.00	4.00
10	Dehri-Rohtas	B	5.88	5.88	5.88	100	Emco Esta	B	9.00	9.00	9.00
10	Dehri Rohtas Rly.	C	1.25	1.09	1.37	100	Emco Transformers	B	112.50	112.50	100.00
10	Diamond Dies	Bg	9.00	9.00	9.00	100	Emerald	D	51.00	51.00	50.00
10	Diamond Investment & Prop.	C	7.00	7.00	6.50	5	Emerald Valley Coffee	M	15.50	16.45	18.15
10	Dibrugarh Tea	C	30.87	31.25	33.25	15	Empire Industries	B	20.50	20.50	18.50
50	Didwana Industrial Corpn.	D	—	55.00	—	10	Empire Jute	C	4.50	4.50	4.50
10	Didwana Industrial Corpn.	D	—	—	10.50	10	Enamelled Wire	B	3.00	3.00	1.50
10	Digital Electro	B	8.50	8.50	8.50	10	Engel India Mach.	C	1.75	1.75	1.75
10	Dimakusi Tea	C	21.75	21.81	25.50	10	Enfield	M	8.00	8.00	8.00
100	Dinesh Mills	A	217.50	212.50	225.00	10	Enfield	Bg	13.00	13.00	13.00
5	Dipchand Development	C	5.40	6.56	3.81	10	Engine Valves	M	15.00	14.40	14.65
10	Dishargarh Power	C	3.75	5.50	5.50	10	English Electric	C	40.12	40.50	41.75
10	D.L.F. United	D	4.50	4.50	4.25	100	English Indian Clays	M	100.00	100.00	100.00
10	D.S.P. Financial	B	6.10	6.10	6.10	100	Engo Tea	C	101.00	101.00	101.00
10	Dolphin Hotel	H	10.00	10.00	10.00	5	Ennore Foundries	D	8.37	10.62	24.00
5	Dolphin Hotel	H	5.00	5.00	5.00	5	Ennore Foundries	M	8.45	10.60	23.25
10	Ductron Castings	H	10.00	10.00	10.00	5	Ennore Foundries	B	8.65	10.75	23.75
10	Dumaraon Textile	C	5.44	5.44	5.44	10	Escorts Ltd.	D	30.00	36.00	24.50
10	Dunbar Mills	C	4.37	3.44	3.81	10	Escorts Ltd.	B	30.25	22.25	25.65
100	Duncan Bros.	C	98.50	101.00	104.00	10	Escorts Ltd.	C	29.12	34.50	27.12
100	Duncan Agro Indus.	C	122.00	117.00	143.00	50	Estrella Batteries	B	40.00	40.00	40.00
10	Dunlop India	C	17.80	17.30	19.90	10	Ethelbari Tea	C	6.56	6.56	15.50
10	Duphar (Public)	B	16.50	17.35	21.00	10	Eurokote	B	3.50	3.50	3.50
10	Durrang Steels	D	7.00	7.00	7.00	10	Eurokote	A	3.50	3.50	3.50
10	Durrang Steels	C	1.50	1.50	1.50	10	Everest Refrigerants	B	3.00	3.00	3.00
10	Dynatonic Hydraulics	Bg	9.75	9.75	9.00	5	Evergoods Rubber	C	5.56	5.56	5.56
10	Dynatonic Hydraulics	B	6.35	6.35	9.25	10	Excel Industries	B	39.00	39.25	44.50
	'E'					10	Excel Industries	D	35.25	35.25	41.50
10	East Angela Plastic	C	1.25	1.69	1.69	10	Fab Leather	C	10.00	10.06	10.06
10	East Coast Road Builders	H	10.00	10.00	10.00	100	Facit (Asia)	M	93.50	93.50	97.00
10	East Coast Breweries	C	6.81	6.81	6.81	10	F.A.C. Ts	M	2.05	1.90	1.90
10	East End Paper Indus.	C	6.62	6.62	6.62	10	Falcon Tyres	M	4.75	4.75	4.75
10	East India Hotel	D	8.94	9.50	14.37	10	Falcon Tyres	Bg	6.05	6.05	4.00
10	East India Hotel	B	9.25	9.50	14.00	100	Faridabad Investment	C	86.00	86.00	86.00
10	East India Hotel	C	9.19	9.75	14.25	100	Ferro Alloys	H	100.00	100.00	100.00
10	Eastern Int. Hotel	B	4.00	4.00	4.00	100	Ferro Alloys	B	101.00	101.00	117.50
10	East West Hotels	Bg	6.75	6.75	5.00	10	Ferro Castings & Colours	C	7.70	7.70	7.70
10	East West Hotels	B	12.50	12.50	12.50	10	Fibreglass Pilkington	B	27.00	32.50	35.50
10	Eastern Cochar Tea	C	7.50	7.50	7.50	100	Finlay Mills	B	74.00	72.00	97.50
10	Eastern Holdings	C	4.50	8.00	4.50	10	Firth (India)	B	4.24	4.50	4.76
10	Eastern Investment	C	0.94	0.94	0.95	100	Fit Tight Nuts & Bolts	B	282.50	205.00	220.00
10	Eastern Silk Industries	C	5.25	4.06	4.50	10	Food Specialities	B	14.75	14.75	18.75
10	Eddy Current (New)	B	9.00	8.75	7.50	10	Food Specialities	D	15.75	15.75	15.75
10	E.I.D. Parry India	M	5.00	5.75	6.50	10	Foods & Ins.	B	2.24	2.00	2.00
10	E.I.D. Parry India.	B	4.88	4.88	7.10	2	Forest Industries	M	2.00	2.00	2.00

Note:—Ahmedabad=A, Bombay=B, Bangalore=Bg, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Madhya Pradesh=Mp, Exchang=Ex, and issue Price=

EQUITY SHARES (Contd)

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		FOR VALUATION DATE				Paid up per share			FOR VALUATION DATE			
NAME OF SCRIPT		Ex.	Diwali S.Y. 2034	31-12-77	31-3-78		NAME OF SCRIPT		Ex.	Diwali S.Y. 2034	31-12-77	31-3-78
			Rs. P.	Rs. P.	Rs. P.					Rs. P.	Rs. P.	Rs. P.
10	Haryana Steel	C	11.25	11.25	11.25	10	Hindustan Wire	C	7.44	7.37	7.37	
10	Haryana Poly Steel	B	4.00	4.00	4.00	10	Hindustan Wire Ind.	B	3.76	3.76	4.50	
10	Haryana Wast Supply	C	2.65	2.70	2.70	10	Hindustan Wire Products	C	14.06	13.25	13.25	
10	Hasimara Industries	C	8.87	7.69	9.87	100	Hindustan Wired Glass	B	20.00	20.00	35.00	
00	Hastings Jute	C	74.00	74.00	74.00	100	Hindustan Wired Glass	A	20.00	20.00	35.00	
10	Hattikhira Tea	C	12.56	12.56	17.75	10	Hoare Miller	C	0.12	0.12	0.12	
10	Hein Lennann (India)	C	4.30	4.30	4.30	10	Hochest Dyes	B	29.75	29.75	31.25	
10	Hemakuta Ind.	B	5.00	5.00	5.00	10	Hoist-O-Mech	B	11.00	11.00	11.00	
10	Hemalatha Mills	M	9.00	9.00	9.00	10	Hooghly Buildings Investments	C	4.00	4.00	4.00	
10	Herculus Hoists	B	5.90	5.90	6.25	50	Hooghly Docking & Eng.	C	5.00	5.00	5.00	
10	Herdillia Chemicals	B	25.00	27.50	36.00	10	Hooghly Flour	C	11.87	9.00	8.94	
10	Hes Ltd.	B	7.15	7.00	7.25	10	Hooghly Jute	C	7.00	11.00	11.56	
10	Hicks Thermometers	B	1.50	1.50	1.50	10	Hoograjuli Tea	C	8.20	8.20	6.20	
10	Hicks Thermometers	D	12.50	12.50	12.50	100	Hoolungoorle Tea	C	75.00	95.00	166.00	
10	Highland Produce	M	19.75	19.60	22.25	100	Hope India	C	80.00	80.00	80.00	
10	Highland Produce	B	18.75	18.75	18.75	10	Hopes Metal Industries	C	3.00	3.56	3.56	
10	Himalya Company	C	5.20	5.20	5.15	10	Hotel Banjara Ltd.	H	10.00	10.00	10.00	
10	Himdoot Investment	C	2.00	2.00	2.00	10	Howrah Jute (Hand)	C	3.12	3.62	2.31	
10	Hind Rectifiers	B	7.00	7.50	8.65	7.50	Hukum Chand Jute	C	9.37	10.00	12.06	
10	Hindustan Aluminium	D	22.00	23.25	26.00	100	Hukum Chand Mills	B	100.00	100.00	100.00	
10	Hindustan Aluminium	B	22.25	22.85	27.00	100	Hukum Chand Mills	Mp	112.00	112.00	100.00	
5	Hind Electrographite	D	10.00	10.00	10.50	10	Huldebhari Tea	C	12.44	12.44	14.37	
10	Hind Electrographite	C	8.00	8.00	8.50	10	Humayun Properties	C	10.12	10.12	10.12	
10	Hind Electrographite	C	8.62	8.25	9.94	1	Humayun Properties (Defd.)	C	1.00	1.00	1.00	
10	Hindustan Aluminium	C	22.35	23.30	26.95	10	Hurriladiash Coal	C	1.45	1.45	1.45	
10	Hindustan Breweries & Bottling	B	3.00	2.76	2.60	10	Hyderabad Allwyn Metal	H	2.00	2.00	2.50	
10	Hindustan Breweries & Bottling	D	2.75	2.75	2.75	10	Hyderabad Asbestos Cement	H	19.75	19.62	25.00	
100	Hindustan Brown Boveri	B	270.00	280.00	240.00	10	Hyderabad Carbon & Chemical	H	10.00	10.00	10.00	
100	Hindustan Brown Boveri	A	270.00	276.25	320.00	50	Hyderabad Chemi & Ferti	H	4.00	4.00	4.00	
100	Hindustan Brown Boveri	D	252.50	252.50	252.50	10	Hyderabad Vanaspati	C	4.06	1.87	4.05	
10	Hindustan Buildings	C	1.05	1.15	1.15	10	Hypine Carbon	D	8.50	8.50	8.50	
50	Hindustan Commercial Bank	C	11.62	11.62	11.25							
10	Hindustan Development	C	12.44	12.06	15.06							
10	Hindustan Everest	B	8.75	8.75	20.00							
10	Hindustan Everest	D	13.62	13.25	18.37							
10	Hindustan Ferodo	B	32.50	30.50	36.00	100	I.C.I.C.I.	B	102.50	98.00	95.00	
10	Hindustan Garments	D	1.50	1.50	1.50	10	I.D.L. Chemicals	H	27.25	27.25	29.00	
7	Hindustan Gas & Ind	C	16.37	16.37	20.00	10	I.D.L. Chemicals	Bg	24.00	24.00	28.75	
10	Hindustan General Industries	D	9.81	5.12	5.12	10	I.D.L. Chemicals	B	24.75	29.00	29.50	
100	Hindustan Kokoku	D	60.00	60.00	40.00	10	Incheck Tyres	B	2.00	1.50	1.36	
10	Hindustan Lever	M	21.83	21.83	25.25	10	Incheck Tyres	C	1.87	1.44	1.16	
10	Hindustan Lever	B	22.00	24.75	29.00	10	Indabrator	B	12.50	12.50	12.50	
5	Hindustan Lever (Right)	B	—	—	18.75	100	Indequip Engineering	A	41.00	40.00	50.50	
5	Hindustan Lever (Public)	B	—	—	19.00	100	Indequip Engineering	B	26.50	26.50	26.50	
10	Hindustan Lever	C	22.69	26.25	27.12	5	India Cement	B	2.80	2.86	3.76	
5	Hindustan Lever (Right)	C	—	—	18.37	5	India Cement	M	2.85	2.95	3.56	
5	Hindustan Lever (Public)	C	—	—	16.12	10	India Engineering & Const.	D	2.00	1.50	1.50	
50	Hindustan Mercantile Bank	C	43.00	43.00	42.50	10	India Forge	M	5.50	5.50	4.90	
10	Hindustan Mica Dealers	C	—	9.69	6.06	10	India Forge	B	4.76	5.00	5.00	
10	Hindustan Motors	C	7.06	6.86	9.22	10	India Gelatine	A	13.50	13.00	16.25	
10	Hindustan Motors	B	7.00	6.85	9.20	£ 10	India General Navigation	C	9.00	9.00	9.00	
10	Hindustan Motors	D	7.06	7.04	9.16	12.50	India Jute	C	4.62	4.75	5.37	
10	Hindustan National Glass	C	30.30	30.60	32.00	10	India Paper & Pulp	C	1.06	1.06	1.22	
100	Hindustan Oxygen Gas	B	90.00	90.00	89.00	10	India Steamship Company	D	12.75	10.84	11.37	
100	Hindustan Oxygen Gas	A	90.00	90.00	90.00	10	India Steamship	C	11.30	10.55	11.10	
10	Hindustan Pilkington Glass	C	4.06	4.06	7.62	10	India Sugar	M	4.50	4.50	4.50	
100	Hindustan Polymers	B	21.00	21.00	25.00	10	India Sugar	Bg	6.00	6.00	6.00	
100	Hindustan Polymers	C	20.00	20.00	20.00	10	India Sugar (New)	Bg	10.00	10.00	10.00	
10	Hindustan Sanitary Ware	B	25.00	25.62	26.00	10	Indian Air Gases	D	10.50	10.50	10.50	
100	Hindustan Sugar	B	78.00	52.00	71.25	10	Indian Aluminium	C	19.70	19.90	22.35	
250	Hindustan Spp.	B	142.50	125.00	140.00	10	Indian Aluminium	B	19.75	20.25	22.00	
100	Hindustan Tractores	B	20.00	20.00	20.00	100	Indian Aluminium Cables	D	20.00	20.00	20.00	
10	Hindustan Wire	B	8.25	8.25	7.00	10	Indian Bright Steel	B	1.50	1.50	1.12	

Notes:—Ahmedabad=A, Bombay=B, Bangalore=Bg, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Madhya Pradesh=Mp, Exchange=Ex and Issue Price=

EQUITY SHARES (Contd)

FOR VALUATION DATE						FOR VALUATION DATE					
Diwali 31-12-77 31-3-78						Diwali 31-12-77 31-3-78					
S.Y. 2034						S.Y. 2034					
NAME OF SCRIPT						NAME OF SCRIPT					
Rs. P. Rs. P. Rs. P.						Rs. P. Rs. P. Rs. P.					
10	Indian Cables (Handi)	C	16.65	17.45	20.20	10	ION Exchange	D	—	—	31.00
10	India Carbon	C	14.25	11.44	11.31	10	IPCO Paper	B	4.62	5.00	4.24
10	Indian Cement (1937)	B	5.05	5.05	5.10	10	Isar Industries	D	9.62	9.62	9.62
10	Indian Dairy	B	5.00	5.00	5.00	10	I.T.C. LTD.	H	15.00	14.20	15.25
100	Indian Dyestuff (Non-cleared)	B	214.00	230.00	226.00	10	I.T.C. LTD.	M	14.25	15.25	16.75
100	Indian Dyestuff (Cleared)	B	339.50	354.00	398.00	10	I.T.C. LTD.	Bg	18.35	15.35	15.50
100	Indian Dyestuff (Cleared)	A	340.00	353.00	396.00	10	I.T.C. LTD.	D	14.65	15.25	19.00
100	Indian Electro Chemicals	A	70.00	70.00	90.00	10	I.T.C. LTD.	B	14.50	15.12	18.50
10	Indian Explosives	B	26.00	25.85	23.25	10	I.T.C. LTD.	C	14.25	14.80	19.15
10	Indian Explosives	E	26.00	26.50	23.50	2	Ivan Jones	E	0.12	0.12	0.12
10	Indian Forge & Drop	C	4.56	4.56	4.56						
10	Indian Hotels	B	28.00	28.50	38.50						
100	Indian Hume Pipe	B	128.00	115.00	95.00						
100	Indian Link Chain	B	175.00	175.00	175.00						
5	Indian Malleable Cast	E	2.00	2.00	2.00						
1	Indian Malleable Cast (Defd.)	C	0.50	0.50	0.50	10	Jagatjit Cotton	D	10.50	7.00	7.00
10	Indian Metal & Ferro	C	5.25	5.25	5.25	10	Jagatjit Cotton	C	12.37	12.36	12.37
100	Indian Organic Chemical	B	282.00	281.00	302.00	10	Jagatjit Industries	D	7.19	7.06	7.00
10	Indian Oxygen	C	25.60	28.00	22.60	10	Jagatjit Industries	C	17.25	17.25	17.25
10	Indian Plastics	C	7.10	6.19	6.64	10	Jaga Seafoods	H	10.00	10.00	10.00
100	Indian Rayon	B	147.00	144.00	165.00	10	Jaga Seafoods	Bg	10.00	10.00	10.00
100	Indian Rayon	A	144.00	148.00	166.00	10	Jagatjit Sugar	B	7.00	7.00	7.00
100	Indian Rayon	C	141.00	143.50	161.00	100	Jagatjit Sugar	D	77.00	77.00	72.00
10	Indian Resort Hotels	B	11.00	11.15	19.00	10	Jain Sudh Vanaspathi	D	8.00	8.50	9.50
10	Indian Rubber Mfg.	C	5.50	5.50	5.50	10	Jain Sudh Vanaspathi	C	10.12	10.12	10.12
100	Indian Rubber Mfg.	B	50.00	50.00	55.50	10	Jain Tube Co.	D	14.75	14.75	14.75
100	Indian Rubber	A	50.00	50.00	55.50	1000	Jaim Shri Ranjit Mills	B	795.00	795.00	795.00
10	Indian Standard Wagon	C	1.50	1.50	1.50	10	Jamirah Tea	C	12.00	12.00	12.00
10	Indian Steel Rolling	M	2.70	2.70	2.70	100	Jatindra Steel Tube	C	3.75	3.75	3.75
10	Indian Steel & Wire Product	C	15.62	16.00	18.00	10	Jardine Henderson	C	30.00	30.00	35.50
1	Indian Steel & Wire Conty.	C	2.31	2.31	2.12	10	Jaswant Sugar	D	6.00	6.00	6.00
100	Indian Tool	B	250.00	250.00	246.25	5	Jawahar Textile Mills	M	5.90	5.90	5.90
100	Indian Vegetable	B	242.50	242.50	261.25	10	Jaya Bharat	B	7.50	7.50	7.75
10	Indian Wood Products	C	7.25	7.87	12.00	100	Jayant Paper	B	85.00	66.00	75.00
10	Indo American Electricals	B	12.44	12.44	12.44	10	Jayant Vitamins	MP	8.25	9.00	9.00
10	Indo American Electricals	C	2.00	2.00	2.06	10	Jayant Vitamins	C	8.15	9.00	13.00
10	Indo Burma Petroleum	B	10.50	11.65	12.00	10	JayBirpara Tea	C	6.37	6.37	6.37
10	Indo Burma Petroleum	C	10.81	10.12	11.81	10	Jay Engineering Works	C	7.06	7.62	8.06
10	Indo Lowen Brew	B	1.24	1.24	3.50	10	Jay Engineering Works	D	6.75	7.50	7.50
10	Indo Lowen Brew	D	1.12	1.12	1.50	100	Jaypur Investment	C	92.00	92.00	91.00
10	Indo National	B	5.75	6.75	10.50	100	Jaypore Metal	M	94.90	94.90	94.90
10	Indo Solex	D	3.30	2.30	2.30	100	Jaypore Metal	B	22.00	22.00	22.00
100	Indo-Swed. Pipe	B	5.00	5.00	5.00	100	Jaypore Metal	D	40.00	40.00	40.00
10	Indore Export & Import 'A'	D	12.62	12.62	12.62	10	Jaypore Metal (Defd.)	M	44.00	44.00	44.00
100	Indore Wires	D	35.00	35.00	35.00	10	Jaypore Metal (Defd.)	B	50.00	50.00	50.00
10	Industrial & Prudential	B	8.00	8.00	8.00	10	Jaypore Spg. & Wvg.	D	10.00	10.00	10.00
10	Industrial Cables (India)	D	10.12	11.00	11.00	10	Jaypore Sugar	M	22.25	22.25	18.00
4	Industrial Credit	Bg	1.00	1.00	1.00	10	Jaypore Udyog (Hand)	C	1.20	1.40	2.19
10	Industrial Credit	Bg	6.90	6.90	5.90	10	Jaypore Udyog	D	1.40	1.40	1.40
100	Industrial Investment Trust	B	90.00	91.00	93.00	10	Jaypore Udyog	B	1.24	1.24	2.00
10	Industrial Plants	C	1.00	1.00	1.00	10	Jayshree Chemicals	B	12.00	12.00	12.00
10	Inger Soli-Rand (Public)	B	—	43.00	62.50	10	Jaysaree Chemicals	C	12.25	11.06	11.12
10	International Combustion	B	36.00	35.50	31.00	10	Jayshree Tea & Industries	B	27.25	27.25	27.25
10	International Combustion	C	38.44	37.62	32.00	10	Jayshree Tea & Industries	D	27.60	23.90	24.25
10	International Combustion	D	2.25	2.25	3.06	10	Jayshree Tea & Industries	C	24.67	24.62	27.50
100	International Commenter	B	85.00	95.00	103.00	10	Jeewanlal Ltd.	M	10.00	10.00	10.00
10	International Computers	B	6.75	7.25	9.75	10	Jeewanlal (1929) Ltd	C	10.06	10.06	10.06
100	Investment Corporation	B	99.50	100.00	109.00	10	Jessons Electronics	B	5.00	5.00	5.00
10	Investment & Prec	B	9.00	9.00	9.00	10	Jessons Electrons	D	3.00	3.00	3.00
100	Investment Trust	M	73.00	73.00	80.00	10	Jet Age Trading	C	3.65	3.65	3.30
10	Investors India	D	2.25	2.25	2.25	10	Jessop & Co.	C	1.95	1.62	1.40
10	ION Exchange	B	—	32.00	32.00	10	J. G. Glass	B	5.40	5.35	6.00
10	ION Exchange (New)	B	15.75	18.00	—	10	J. G. Glass	D	5.15	5.15	5.75
2 50	ION Exchange (F 10)	B	—	—	31.50	10	Jiyajeerao Cotton Mills	B	15.00	15.50	15.50
2 50	ION Exchange	D	—	18.00	—	10	Jiyajeerao Cotton Mills	C	14.87	15.25	15.37
						10	J. J. Exporters	C	8.50	8.50	6.00

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EQUITY SHARES (Contd)

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77	31-3-78	S.V. 2034				Diwali 31-12-77	31-3-78	S.V. 2034
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
100	J.K. Chemicals	B	146.25	143.75	143.75	7.50	Karnatak Oxygen	Bg	7.50	7.50	7.50
10	J.K. Cotton Spg.	B	4.36	4.36	4.36	10	Karnatak Investments	Bg	7.00	7.00	7.00
10	J.K. Cotton	D	10.50	10.50	10.50	10	Karnatak Steel	Bg	4.87	4.87	4.87
10	J.K. Cotton	C	3.72	3.87	4.55	10	Karnatak Trading Corpn.	Bg	10.00	10.00	10.00
10	J.K. Industries (New)	C	5.50	5.50	5.50	5	Karnatak Trading Corpn.	Bg	5.00	5.00	5.00
10	J.K. Industries	C	8.00	8.00	8.00	10	Karnatak Scooters	Bg	5.00	5.00	3.80
10	J.K. Industries	D	5.50	4.75	5.73	100	Karunambikai Textile Mill	M	66.67	66.67	70.00
10	J.K. Industries	B	4.62	5.00	5.50	25	Karur Vysya Bank	M	30.77	30.77	30.77
10	J.K. Mfrs.	C	2.00	2.00	2.00	25	Karur Vysya Bank	Bg	30.00	30.00	30.00
10	J.K. Satoh Agricultural	D	10.00	10.00	10.00	10	Kar Valves	M	7.50	7.50	6.80
10	J.K. Satoh Agricultural	C	4.50	4.50	4.50	25	Kasturi Mills	M	16.50	16.50	16.50
10	J.K. Steel & Ind.	C	2.37	3.81	2.87	10	Kasturi Paper	Bg	10.10	10.10	10.10
10	J.K. Synthetics	C	22.70	24.05	30.40	100	Katakhal Lala Riys.	C	13.75	13.75	13.75
10	J.K. Synthetics	B	23.50	24.50	30.25	10	Katihar Jute	C	7.05	7.05	7.05
10	J.K. Synthetics	D	23.25	23.62	30.50	10	Kaveri Steels	Bg	0.50	0.50	0.50
10	J.K. Traders	D	8.25	8.25	8.25	100	Kaycee Industries	B	88.00	88.00	88.00
10	J.L. Morison	Bg	7.25	7.25	8.00	10	K.C.P. Sugar	M	15.50	15.50	17.50
10	J.L. Morison	R	7.00	8.00	9.00	100	Kelvin Jute	C	14.75	14.75	9.75
10	Jodhpur Woollen Mills	C	10.06	10.06	10.06	200	Kemp & Co.	B	205.00	203.75	200.00
10	John Fowler	B	8.00	8.25	9.25	10	Kerala Rubbers	M	10.00	10.00	10.00
10	John Fowler	Bg	11.50	11.50	11.50	100	Kerry Jost	B	15.00	15.00	15.00
10	John Oakley & Mohan	D	8.62	8.62	8.31	50	Kesar	B	46.00	46.00	46.00
10	John Oakley & Mohan	C	7.94	7.94	8.19	10	Kesco Minerals	M	10.00	10.00	10.00
10	John Patterson Co.	C	2.00	2.00	2.00	10	Keshav Vanaspathi	D	12.25	12.25	12.25
10	Jokai Tea	B	18.50	22.00	26.00	10	Kesoram Industries	C	21.60	24.15	26.90
10	Jokai Tea	C	18.81	25.25	27.87	100	Kettlewell Bullen	C	83.00	83.00	75.00
10	Joonkallie Tea	C	21.00	20.00	20.00	100	Keytuo	B	85.00	85.00	85.00
50	Jost's Engineering	B	27.50	27.50	25.00	5	K. G. Khosla	B	4.76	4.76	-
10	Jotindra Steel	D	3.50	3.50	3.50	10	K. G. Khosla	B	-	-	10.85
10	Jupiter Breweries	B	1.76	1.76	1.76	5	K.G. Khosla Compress	D	4.87	-	-
10	Jutliebari Tea	C	31.12	31.12	31.12	7.50	K.G. Khosla (F10)	D	-	7.00	-
100	Jyoti Electric	B	102.50	102.50	102.50	10	K.G. Khosla Compress	D	-	-	9.50
100	Jyoti Engineering	A	130.50	150.00	190.00	10	K.G. Khosla	B	1.50	1.50	1.50
100	Jyoti Engineering	B	130.00	148.75	180.00	10	K.G. Khosla	H	10.00	10.00	10.00
10	Jyoti Investment	C	3.00	2.94	3.00	10	K.G. Khosla	C	-	10.12	10.06
10	Jyotsana Investment	C	3.69	3.69	3.75	100	Khandelwal Ferro Alloys	B	97.00	99.00	111.00
100	Jyoti Switchgears	B	101.00	101.00	101.00	10	Khandelwal Herr	B	3.00	2.50	2.24
	"K"					1000	Khandesh Mills	B	900.00	900.00	900.00
10	Kabini Papers	Bg	10.00	10.00	10.00	250	Khandesh Mills	B	325.00	325.00	325.00
100	Kadri Textile Mills	M	100.00	100.00	100.00	10	Khandan Jute	C	1.25	1.25	1.25
10	Kadri Textile Mills	M	11.80	11.80	11.80	100	Khatu Mills	B	181.25	178.75	180.00
2	Kailas Rubber	M	2.60	2.75	2.70	100	Khodiyar Pottery	B	90.00	90.00	90.00
100	Kaira Can	B	109.00	109.00	109.00	10	K.I.C.	M	6.25	5.75	5.75
100	Kaiser-I Hind Mills	A	96.00	90.00	130.00	2	KIL Kotagiri Tea	M	3.24	3.50	3.02
2	Kalasa Tea	M	4.00	4.00	3.75	100	Killick Nixon	B	43.00	43.00	42.00
10	Kalimpong Produce	C	1.50	1.55	8.87	100	Kinnison Jute	C	7.50	7.50	8.50
10	Kalpetta Rubber	M	14.25	12.00	12.62	100	Kirlampudi Sugar	M	81.00	81.00	81.00
10	Kalpetta	B	14.52	14.52	14.52	25	Kirloskar Bros.	B	30.00	29.00	24.50
10	Kalyanpur Lime	C	8.69	8.69	8.69	100	Kirloskar Cummins	B	228.75	227.50	185.00
100	Kamla Sugar	M	51.00	51.00	51.00	10	Kirloskar Electric	M	14.25	13.40	14.50
10	Kamani Engineering	B	17.00	18.00	32.00	10	Kirloskar Electric	Bg	14.70	14.20	14.50
10	Kamlakshi Fin. Corporation	B	9.50	9.50	9.00	10	Kirloskar Electric (New)	Bg	-	10.00	10.00
100	Kamarhaty Jute	C	27.00	51.00	51.00	10	Kirloskar Oil Engines	B	14.50	12.75	12.50
100	Kanknarrah Jute	C	12.50	18.00	27.00	10	Kirloskar Pneumatic	B	25.00	24.00	25.50
10	Kannapiran Textile Mills	M	10.00	10.00	10.00	100	Kirloskar Systems	M	90.00	90.00	90.00
10	Kanoria Chemicals	B	20.50	22.00	26.35	10	Kirloskar Tractors	B	4.00	6.00	5.25
10	Kanoria Chemicals	C	20.37	25.61	15.75	100	Kishore Trading	C	67.00	67.00	66.00
100	Kanoria Hayco	B	52.00	52.00	52.00	10	Kohinoor Investment	C	3.37	3.37	3.37
10	Kanoria International	C	-	9.62	6.00	10	Kirti Investment	B	10.00	10.00	10.00
10	Kapsteel	Bg	10.00	10.00	10.00	100	Kohinoor Mills	B	49.00	47.00	39.50
10	Karanpura Collieries	C	0.40	0.40	0.40	10	Konark Investment	C	5.00	5.00	5.00
10	Karanpura Development	M	6.87	4.00	4.00	10	Kothari (Madras)	M	7.50	10.00	8.10
10	Karikode Rubber	M	10.50	10.50	10.50	10	Kothari (Madras)	D	10.50	10.50	10.50
10	Karnatak Oxygen	Bg	10.00	10.00	10.00	10	Kothari (Madras)	Bg	7.50	7.50	7.90
						10	Kothari (Madras) (New)	Bg	10.00	10.00	10.00
						10	Kothari (Madras)	B	7.50	7.50	8.50
						10	Kothari Plantations	C	10.69	10.69	8.50
						10	Kothari Sugar	M	2.65	5.00	3.60
						10	Kothari Sugar	Bg	4.50	4.50	4.50
						10	Kothari Sugar	B	5.25	5.25	5.25

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh=Mp.

EQUITY SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
5	KSB Pumps (F-10)	B	-	19.00	23.25	100	Madras Machine Tools	B	40.00	40.00	40.00
10	Krishna Behari Tea	C	10.16	10.16	10.16	100	Madras Oxygen	M	100.00	100.00	100.00
50	Krishna Rajendra Textile Mills		26.00	26.00	26.00	10	Madras Rubber	M	8.30	8.30	11.25
10	Kuadi Coal	C	6.31	6.31	6.31	10	Madras Rubber	Bg	17.10	17.10	8.50
10	Kulkarni Foundries	B	10.00	10.00	10.00	10	Madras Rubber	C	10.87	10.87	8.90
3	Kumardubi Engineering	C	1.62	1.50	1.31	10	Madras Rubber	B	8.50	7.85	11.50
10	Kumardubi Fire Clay	C	28.00	28.00	28.00	80	Madras Safe	M	105.00	105.00	105.00
2	Kumergode Coffee	M	6.75	6.75	6.75	10	Madras Spindles	M	4.00	4.00	4.00
10	Kumbakonam Electric	M	11.50	10.75	10.75	100	Madras Spinners	M	100.00	100.00	100.00
10	Kunal Engineering	B	20.00	20.00	11.50	3	Madras Varnaspati	M	1.50	1.50	1.50
10	Kunal Engineering	M	11.75	14.00	10.50	10	Madura Coats	M	8.00	7.00	8.05
10	Kurchimala Plantations	M	5.50	5.50	5.50	10	Madura Coats	B	8.15	7.00	7.20
10	Kusum Products	C	45.00	45.00	45.00	10	Madura Sugar	M	12.50	12.50	12.50
10	Kutch Salt	B	2.40	2.40	2.40	100	Maftalal Fine	B	303.75	310.00	347.50
10	Kyang Tea Seed	C	5.00	5.00	5.00	100	Maftalal Fine	A	310.00	306.25	346.25
	"L"					125	Maftalal Industries Right ??	B	480.00	485.00	552.50
10	Lacktoorah Tea	C	15.12	15.12	15.12	125	Maftalal Industries	A	474.00	480.00	553.00
10	Lakhanpal National	B	7.75	9.00	13.50	10	Mahalakshmi Fibres	C	7.00	4.75	3.75
50	Lakshmi Mills	Bg	52.00	52.00	71.00	100	Maharaj Shree Unaid Mills	C	136.00	136.00	132.00
25	Lakshmi Mills 'A'	Bg	47.50	47.50	47.50	2	Mahamaya Investments	D	-	-	18.00
50	Lakshmi Mills	M	58.00	58.00	71.00	10	Maharashtra Apex Corpn.	Bg	2.74	2.74	2.74
25	Lakshmi Mills 'A'	M	29.50	25.25	26.00	2	Maharashtra Apex Corpn (New)	Bg	-	-	2.00
100	Lakshmi Machine Works	M	128.00	128.00	134.00	10	Maharashtra Steel	B	1.00	1.00	1.00
100	Lakshmi Machine Works	Bg	165.00	165.00	165.00	10	Maharashtra Steel	D	0.50	0.50	0.50
100	Lakshmi Machine Works	B	151.50	151.50	139.00	5	Mahavir Spg. Mills	D	5.12	5.12	5.12
1000	Lakshmi Sugar	D	900.00	900.00	900.00	1250	Maheshwari Textiles	A	10.25	27.50	30.50
5	Lakshmi Automatic Looms	Bg	10.00	10.00	10.00	50	Maharashtra Sugar	B	23.50	20.75	21.50
100	Lakshmi Vishnu Mills	B	46.00	42.50	66.00	10	Mahindra & Mahindra	B	11.75	12.50	12.25
10	Lakurka Coal	C	0.90	0.90	1.00	10	Mahendra & Mahendra	C	11.50	11.50	14.00
10	Lamp Caps	B	5.00	5.00	5.00	100	Mahendra Electricals	B	87.50	87.50	87.50
10	Larsen & Toubro	Bg	32.75	32.75	34.50	100	Mahendra Electricals	A	87.50	87.50	87.50
10	Larsen & Toubro	B	31.75	32.00	34.90	10	Mahindra Uguine	A	17.50	12.00	17.15
10	Larkspur Investments	D	2.50	2.95	2.95	10	Mahindra Uguine	B	17.75	18.50	17.25
100	Lawrence Investments	C	9.50	9.50	9.50	10	Mahindra Uguine	C	19.75	19.75	19.75
100	Laxmi Starch	B	68.25	60.00	57.50	100	Mahendra Textile	A	101.00	98.00	101.00
10	Laxmi Chand Bhagatji	A	2.50	2.50	2.50	10	Malabar Agriculture	M	4.57	4.57	4.57
10	Laxmichand Bhagatji	B	2.50	2.50	2.50	10	Makum Tea	C	19.87	19.90	25.25
10	Laxmiratan	B	0.50	0.50	1.00	10	Malabar Industrial	M	3.06	3.06	3.06
10	Light Roofings	M	5.05	5.05	5.05	10	Malabar Steam Ship	B	7.50	7.50	7.50
10	L.G.B. Bros.	M	30.00	28.00	16.50	10	Malankara Rubber	M	20.50	20.50	20.20
10	L.G.B. Bros.	Bg	30.60	30.60	16.00	10	Malhati Tea	C	15.06	15.06	13.00
2	Lingapur Coffee	M	5.50	5.50	5.50	10	Malwa Varnaspati	Mp	6.50	8.50	7.00
500	London Rubber	M	500.00	500.00	500.00	10	Manabarric Tea	C	68.00	68.00	52.00
10	Longview Tea	C	12.12	8.25	8.12	1	Manar Tea	M	0.50	0.50	0.50
10	Loobah Tea	C	9.19	9.50	14.50	5	Mandya National Paper Mills	Bg	1.60	1.50	1.50
50	Loyal Textile Mills	M	48.00	48.00	48.00	5	Mandya National Paper Mills	B	1.50	1.50	1.20
	"M"					200	Maneklal Harilal	A	331.25	315.00	361.25
5	Macfarlane & Co.	C	2.00	2.00	2.00	10	Mangalore Chemical & Fert	C	6.50	6.06	5.25
1	Macfarlane Co. Deft.	C	0.50	0.50	0.50	10	Mangalore Chemical & Fert	Bg	6.50	6.05	5.70
10	Machinery Manufacturing	B	7.00	6.25	7.50	10	Mangalore Chemical & Fert	B	6.50	6.25	6.25
10	Machinery Manufacturing	C	6.94	6.25	9.12	10	Mangalore Chemical & Fert	D	6.50	6.37	6.19
10	Machinery Polygraph	B	3.50	3.76	6.00	10	Mangalore Chemical & Fert	M	6.60	6.50	5.80
10	Macmillan	M	8.60	8.60	8.60	10	Mangal Investment	B	6.00	6.00	3.00
100	Macneill & Magor	C	80.00	72.00	91.00	2	Manjushree	M	7.10	4.60	5.70
10	Mackinnon Mackenzie	C	7.15	7.15	8.37	10	Mansingka Industries	D	5.05	5.05	5.05
10	Mackinnon Mackenzie	B	7.25	7.00	7.00	10	Maratt Rubber	M	11.10	11.10	11.10
10	Mackinnon Mackenzie	D	7.50	6.87	7.25	10	Maratt Rubber	Bg	11.00	11.00	11.00
10	Madan Industries	B	9.80	9.80	9.80	10	Marathwada Alloys	C	2.50	2.50	1.76
10	Madan Industries	D	8.90	8.90	8.90	10	Margarets Hope Tea	C	5.00	5.00	6.50
10	Madan Industries	C	3.75	3.75	3.75	50	Marikar	M	60.50	60.50	60.50
50	Madanapalle Spg.	H	35.00	35.00	35.00	100	Marsden Spinning Mills	A	43.00	41.00	44.00
50	Madanapalle Spg.	M	50.00	50.00	50.00	2	Marshall (India)	C	0.53	0.53	0.40
50	Madhavmagar Cotton	Bg	35.00	35.00	50.00	10	Marshall (Mfg.)	M	9.75	9.75	9.75
10	Madhusudan	B	2.50	2.50	2.50	10	Marshall (Mfg.)	C	10.00	10.00	10.00
10	Madhya Pradesh Industries	D	4.00	4.00	4.00	10	Martins Burn	C	1.25	1.72	1.75
10	Madhya Pradesh Industries	C	3.00	3.00	3.00	10	Maruti Investment	C	4.00	4.00	4.00
100	Madras Aluminium	M	53.50	57.00	59.00	100	Marwar Trading Co.	C	142.00	142.00	129.00
100	Madras Aluminium	B	54.00	60.00	60.00	10	Maurakshi Cotton	C	8.25	8.25	8.25
100	Madras Cement	M	44.00	40.00	62.00	10	Maud Tea	C	10.06	10.06	10.06
100	Madras Forgings	M	100.00	100.00	100.00	10	Maxi Export & Inv.	C	9.75	9.75	8.87
100	Madras Industrial Linings	M	105.00	105.00	105.00	100	M.B. Commercial	C	90.00	89.50	90.00
100	Madras Machine Tools	M	42.00	42.00	42.00	10	McDowell	M	12.60	6.30	7.95
						100	McKenzies	B	1.50	1.50	1.50
						100	McLeod & Co.	C	35.00	22.00	22.00
						10	McNally Bharat Eng.	C	17.12	17.12	28.75

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh Mp.

EQUITY SHARES (Contd)

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
Ra.			Rs. P.	Rs. P.	Rs. P.	Ra.			Rs. P.	Rs. P.	Rs. P.
10	Meena Steels	D	-	8.75	8.75	10	Moradabad Water	C	3.00	3.00	3.00
5	Meena Steels	D	2.12	2.12	2.12	100	Morarjee Mills	B	166.00	60.00	175.00
10	Meenakshi Oil	Bg	10.00	10.00	10.00	100	Mothola Co. Ltd.	C	103.00	105.00	105.00
10	Meghalaya Plywood	C	10.50	10.50	10.50	100	Motilal Hirabhai	A	73.00	73.00	65.00
10	Meghalaya Phyto	C	5.19	5.19	5.19	100	Motor Industries	Bg	235.00	230.50	282.00
10	Megna Jute	C	1.50	2.12	1.69	100	Motor Industries	B	241.25	233.75	276.50
100	Melamine	A	165.00	165.00	175.00	10	Motor Sales Ltd.	C	9.50	9.50	9.50
10	Melcast India	C	10.00	10.00	10.00	10	Motor & General Finance	D	15.50	15.50	14.50
10	Mercantile Credit Corp.	M	10.25	10.10	10.12	10	Muzuffarpore Electric	C	10.00	10.00	6.00
7	Mercantile Credit Corp.	M	7.75	7.75	7.50	10	M.P. Electricals	B	2.24	2.24	2.76
10	Mercantile Credit Corp.	Bg	10.00	10.00	10.00	10	Mudit Investment & Trading	C	3.50	3.15	3.00
7.50	Mercantile Credit Corp.	Bg	6.75	6.75	10.00	10	Mukand Iron & Steel	B	11.00	11.00	14.25
5	Mercara Rubber	M	6.75	6.75	6.75	10	Mukand Iron & Steel	D	11.09	11.09	11.09
5	Mercury Investment	D	4.25	4.25	4.25	10	Mukand Iron & Steel	C	16.60	16.60	16.60
5	Mercury Investment	C	3.75	3.60	3.55	10	Mullar & Phipps	B	12.00	7.00	13.00
10	Metal Box Co.	C	7.56	7.81	9.50	10	Multi Metals Ltd.	C	7.06	7.06	7.19
10	Metal Corporation	C	6.75	7.87	7.12	10	Murphulani Tea	C	15.00	15.00	15.06
10	Metal Distributors	C	5.85	6.12	6.12	10	Murphulani Tea	C	9.00	9.00	18.00
10	Methoni Tea	C	10.00	9.50	13.87	10	Muttara Electric	C	0.75	0.75	3.85
10	Mettur Chemicals	Bg	8.00	8.00	7.70	10	Muzaffarnagar Steel	B	3.00	3.00	3.00
10	Mettur Chemical	M	7.05	7.70	9.10	100	Mysore Acetate & Chemical	Bg	56.00	56.00	32.00
100	Mettur Beardsell	M	130.00	133.00	148.00	5	Mysore Amalgamated Coffee	M	6.50	6.50	6.50
10	M.G.F.	B	15.24	15.24	15.24	10	Mysore Breweries	M	10.00	10.00	10.00
100	Mico Farm	M	75.00	75.00	75.00	10	Mysore Breweries	Bg	4.80	4.82	4.50
10	Midland Rubber	M	11.25	10.60	13.50	10	Mysore Cement	M	22.37	22.37	22.25
10	Midland Rubber	B	7.20	7.20	12.75	10	Mysore Cement	Bg	21.50	21.50	21.25
85	Midnapur Commercial	C	17.75	17.75	18.50	10	Mysore Cement	B	20.50	20.50	22.50
10	Miles India	A	20.00	20.75	16.75	10	Mysore Chemical Mfg.	M	3.10	3.10	3.10
10	Miles India	B	20.00	20.00	17.00	10	Mysore Chemical Mfrs.	Bg	8.00	8.00	8.00
10	Milk Food	B	6.25	5.00	6.25	10	Mysore Chrome Tanning Co.	Bg	2.50	2.50	3.00
10	Milk Foods	D	6.25	6.25	5.50	2	Mysore Coffee	M	1.70	1.70	1.70
100	Mim Tea	C	110.00	125.00	125.00	2	Mysore Coffee	Bg	4.00	4.00	4.00
10	Mindia Chemical	B	8.00	8.75	8.00	10	Mysore Coffee Curing	M	7.42	7.42	7.42
10	Mindia Chemical	C	7.75	8.75	7.87	10	Mysore Coffee Curing	Bg	10.75	10.75	10.75
10	Mint Investment	C	4.80	4.80	5.00	5	Mysore Electro Chemical	M	4.77	4.77	4.77
10	Mirch Mirex	B	2.60	2.60	4.00	5	Mysore Electro Chemical	Bg	5.20	5.20	5.20
9	Mirzapore Electric	C	7.50	7.50	7.50	10	Mysore Electro Chemical	Mq	4.90	4.90	4.90
25	Mlamally	M	25.00	25.00	25.00	10	Mysore Electro Chemical	Bg	7.25	7.25	7.25
10	Modella Woollens	B	10.50	10.00	11.00	100	Mysore Electrical Industries	M	113.00	113.00	113.00
10	Modern Home	B	8.25	8.25	8.25	100	Mysore Electrical Industries	Bg	65.00	60.00	62.50
50	Modern Mills	B	18.00	18.00	16.50	100	Mysore Kirloskar	Bg	126.25	126.25	115.00
10	Modern Proteins	M	10.00	10.00	10.00	100	Mysore Kirloskar	B	127.50	115.00	112.50
10	Modern Convertors	C	2.00	2.00	2.00	10	Mysore Lac & Paints	Bg	8.00	8.00	8.00
10	Modi Industries	B	6.75	7.50	11.50	10	Mysore Lamps	M	7.25	7.25	7.25
10	Modi Industries	D	16.56	7.50	11.25	10	Mysore Lamps	Bg	5.75	5.75	5.75
10	Modi Rubber	D	6.28	7.28	8.87	10	Mysore Machinery Mfrs.	Bg	3.50	3.50	3.50
10	Modi Rubber	B	6.00	7.25	8.50	10	Mysore Paper	B	9.25	8.85	11.75
10	Modi Spinning & Wvg.	M	9.18	9.18	9.18	10	Mysore Paper	M	8.75	8.75	9.40
10	Modi Spinning & Wvg.	B	15.50	15.50	17.50	10	Mysore Paper Mill	Bg	9.50	9.50	13.25
10	Modi Spinning & Wvg.	D	13.31	13.69	16.94	10	Mysore Paper Mill	C	8.00	8.00	8.00
10	Modi Spinning & Wvg.	C	14.25	14.25	14.25	10	Mysore Petro Chemicals	C	5.50	6.25	6.25
10	Modi Textile Trading Corpn.	D	5.50	5.50	5.50	10	Mysore Petro Chemicals	Bg	5.50	5.50	5.50
10	Modi Pon	B	29.00	30.00	30.25	10	Mysore Petro Chemicals	B	5.25	5.75	7.00
10	Modi Pon	D	30.00	30.00	31.00	5	M.P. Agro Morarji	B	5.15	-	-
5	Mohan Meakin Breweries	D	4.75	5.53	6.06	10	M.P. Agro Morarji	B	11.00	11.00	15.75
5	Mohan Meakin Breweries	C	5.12	5.62	5.87	10	Mysore Plantation	M	10.75	12.00	12.00
10	Mohan Steel	B	1.24	1.24	1.24	10	Mysore Stone Ware	M	9.76	9.76	9.76
10	Mohan Steel	C	1.25	1.25	1.25	10	Mysore Stone Ware	Bg	11.50	11.50	11.50
10	Mohatta & Heckel	B	4.00	4.00	4.00	10	Mysore Sugar	M	6.00	6.00	6.00
10	Mohata Alloys	B	3.00	3.00	6.00	10	Mysore Sugar	Bg	6.80	6.80	5.90
10	Mohata Electrosteel	D	10.00	10.00	10.00	10	Mysore Tobacco	M	4.50	4.50	4.50
10	Mohata Alloys	D	2.62	2.62	7.00	10	Mysore Tobacco	Bg	5.00	5.00	5.00
10	Mohata Ispat	D	1.00	1.00	1.00	2	Mysore Vegetable Oil	Bg	2.00	2.00	2.00
10	Mohema Tea	C	5.81	5.81	5.91		"N"				
10	Molins of India	C	6.44	6.12	7.75	50	Madad Electric	B	55.00	55.00	55.00
100	Monogram Mills	A	43.00	47.00	44.00	10	Maga Mills Tea	C	20.25	20.25	15.31
10	Moonstar Investments	B	4.60	4.60	4.60	10	Nagarjuna Steel	M	10.00	10.00	10.00
10	Mopeds India	M	8.00	8.00	8.00	5	Nagarjuna Steel	H	5.00	5.00	5.00
10	Mopeds India	M	9.25	9.25	9.25	10	Nagpal Petro Chemicals	B	2.24	2.24	3.50
10	Moradabad Spinnings	D	5.06	5.06	5.06						

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Bangalore=Bg, Madhya Pradesh =Mp.

EQUITY SHARES (Contd)

Part in Share	NAME OF SCRIPT	Ex	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex	FOR VALUATION DATE				
			Diwali 31-12-77						Diwali 31-12-77				
			S.V. 2034						S.V. 2034				
Rs.			Rs.	P.	Rs.	P.	Rs.		Rs.	P.	Rs.	P.	
500	Nagri Mills	A	350.00	365.00	415.00	10	New Saven Sugar	C	1.06	1.10	1.12		
100	Naihati Jute	C	3.56	3.56	15.50	100	New Standard Engineering	B	100.00	97.00	115.00		
10	Namburnadi	C	10.62	10.62	10.62	100	New Standard Engineering	A	100.00	97.00	113.00		
10	Namdang Tea	C	19.75	19.90	25.25	100	New Swadeshi Mills	A	103.00	80.00	80.00		
200	Nand Lal Bhandari	MP	150.00	150.00	100.00	100	New Swadeshi Sugar	B	168.00	168.00	171.00		
10	Nandan Van Investments	Bg	10.00	10.00	10.00	10	New Terai Tea	C	16.87	16.87	16.87		
2.50	Nandan Van Investments	Bg	2.50	2.50	2.50	100	Nila Products	A	100.00	98.00	90.00		
85	Narang Industries	D	20.00	20.00	20.00	10	Nilambur Rubber	M	22.75	22.75	22.75		
10	Narottam Investments	C	5.12	5.12	5.12	10	Nilgiri Tea	M	6.10	6.35	7.30		
10	Naskarpara Jute	C	3.62	3.62	4.00	10	Nilgiri Tea	Bg	5.00	5.00	5.00		
1	National Cereals Products	C	1.25	1.12	1.81	10	Nilhat Shipping	B	3.24	3.62	3.62		
50	National Electricals	B	5.00	5.00	5.00	10	Nilhat Shipping	C	3.69	3.62	3.25		
10	National Eng.	MP	10.50	10.50	10.50	100	Nimar Mills	B	30.00	30.00	30.00		
10	National Eng. Indus.	D	13.00	14.25	15.50	25	Nizam Sugar	H	18.50	18.50	30.00		
10	National Insulated Cables	C	4.87	4.50	4.37	10	Nirlon	B	23.50	26.35	32.50		
10	National Iron & Steel	C	0.32	0.32	1.90	10	Noble Trading Co.	C	9.35	8.11	5.11		
10	National Jute	C	1.00	1.00	1.00	10	Nonsuch Tea	Bg	12.00	12.00	6.00		
100	National Machinery	B	96.00	92.00	77.00	10	Nonsuch Tea	M	14.00	8.00	10.25		
100	National Organic Chemical	B	242.00	256.00	316.00	10	North Brook Jute	C	1.04	1.94	2.00		
100	National Organic Chemical	A	242.00	252.00	311.00	100	North West Cachar Tea	C	78.00	85.00	73.00		
100	National Organic Chemical	C	370.00	370.00	259.00	10	North West Coal	C	1.00	1.00	1.00		
10	National Pipes & Tubes	C	2.62	2.31	1.90	10	Northern India Hotels	D	7.10	8.84	8.84		
100	National Radio	B	46.00	46.00	45.00	100	N.S. Duncan	B	210.00	195.00	215.00		
100	National Rayon	B	184.00	275.00	235.00	10	Nuchem Plastics	D	12.37	12.37	12.37		
100	National Rayon	A	190.00	190.00	190.00	10	Nudea Jute	C	2.75	3.69	4.37		
10	National Rolling Steel	C	1.44	1.44	1.31	100	Nutan Mills	A	180.00	197.50	230.00		
10	National Rubber	C	1.81	1.81	1.05		"O"						
10	National Rubber	M	4.72	4.72	4.72								
10	National Rubber	B	7.25	7.25	7.25								
10	National Screw & Wire	C	0.44	0.44	0.44	5	Ogale-Glass	Bg	2.00	2.00	2.00		
100	National St. Duncan	C	217.00	199.00	233.00	100	Okayti	C	600.00	600.00	600.00		
10	National Tannery	C	1.84	1.84	1.84	100	Omega Cables	M	25.00	25.00	25.00		
10	Navyug Investment	B	6.00	6.00	3.00	100	Omega Cables	B	25.00	25.00	25.00		
10	National Tobacco	C	2.56	1.81	2.12	10	Olympic-General Trading	C	2.25	3.11	3.25		
10	Naybharat Vanijya	C	7.56	7.56	7.56	10	Ondal Investments	C	14.10	14.10	14.10		
10	Naybharat Refrigeration	D	14.00	14.00	14.00	10	Oodlabari Tea	C	9.56	9.56	9.56		
100	Naysari Cotton	B	77.50	75.00	75.00	10	Orient Abrasives	D	7.50	11.25	16.37		
100	Nawabganj Sugar	C	60.00	60.00	60.00	10	Orient Abrasives	B	7.75	11.50	15.25		
100	Nawabganj Sugar 'A'	D	40.00	40.00	40.00	10	Orient Abrasives	C	7.00	11.37	15.81		
10	Nawabganj Sugar 'B'	D	5.00	5.00	5.00	10	Orient Beverages	B	8.00	8.00	8.00		
5	Neelamalai	M	7.90	6.25	7.00	10	Orient Beverages	C	4.69	4.69	4.69		
10	Negapatam Electric	M	18.60	18.60	18.60	50	Orient Violetone	C	16.25	44.00	44.00		
10	Neiveli Ceramics	M	7.00	8.00	8.00	10	Orient Paper Mill	B	29.85	29.00	37.25		
2	Nellimpathy Tea	M	5.40	4.45	5.10	10	Orient Paper Mill	C	30.40	34.25	38.45		
2	Nellimpathy Tea	B	2.70	2.70	2.70	10	Orient Carbon	B	11.00	11.00	11.00		
10	Nelliamarla Jute	C	6.12	6.06	6.12	10	Orient Carbon	C	9.87	9.98	13.19		
10	Nerumen Investment	M	10.50	10.50	10.50	10	Oriental Carpet Mfg.	D	30.00	30.00	30.00		
10	Neomer Ltd.	B	8.50	8.15	7.25	10	Oriental Carpet Mfg.	C	21.12	21.25	18.75		
10	Neomer Ltd.	A	8.50	8.50	7.25	10	Oriental Carpet Mfg (Right)	C	21.94	21.94			
1000	New Asarwa Mills	A	665.00	665.00	665.00								
5	New Bank of India	Bg	8.50	8.50	8.50								
5	New Bank of India	D	6.75	6.75	8.37	100	Oriental Company	C	114.00	114.00	110.00		
10	New Central Jute	B	1.44	2.12	2.00	10	Oriental Coal	C	0.15	0.15	0.15		
10	New Central Jute	C	1.75	2.19	2.12	10	Oriental Hotels	M	4.80	4.80	4.80		
10	New Chumla Tea	C	12.06	11.94	17.94	10	Oriental Hotels	B	5.00	5.00	8.75		
100	New City Mills	B	49.50	47.50	48.00	100	Oriental Industries	B	65.00	68.00	65.00		
50	New Commercial Mills	A	41.00	40.00	44.50	100	Oriental Power	B	37.00	37.00	43.00		
25	New Commercial Investment	B	10.25	10.25	10.25	10	Orissa Cement	M	28.65	28.60	33.25		
100	New Cotton Mills	A	148.75	163.75	203.75	10	Orissa Cement	B	28.65	29.50	37.25		
5	New Delhi Indl. Promoters	C	7.05	6.55	6.00	10	Orissa Cement	D	28.37	28.50	34.50		
10	New Delhi Indl. Promoters	D	4.75	4.75	4.75	10	Orissa Cement	C	28.80	30.00	38.25		
100	New Great Eastern Mills	B	118.50	115.50	125.00	10	Orissa Industries	B	8.00	8.00	8.00		
100	New India Fisheries G	B	72.00	72.00	72.00	10	Orissa Industries	C	7.37	7.62	7.56		
75	New India Investment	C	47.00	47.00	47.00	10	Orissa Industries (New)	C	8.62	-	-		
100	New India Industries	B	226.25	230.00	225.00	10	Orissa Minerals	C	3.94	3.31	3.06		
10	New India Sugar	C	13.62	16.50	14.12	10	Orissa Textile Mills	C	1.37	1.37	1.37		
200	New Jehangir Mills	A	50.00	40.00	35.00	2	Ossoor Coffee	M	7.50	7.50	4.50		
10	New Look Investment	C	6.06	6.06	6.06	10	Otis Elevator	B	17.50	18.00	21.25		
100	New Rajpur Mills	A	100.00	100.00	100.00	100	Qudh Sugar	B	120.00	120.00	102.00		
10	New Samabagh Tea	C	1.15	1.15	1.15								

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Bangalore=Bg, Medhya Pradesh =Mp

EQUITY SHARES (Contd)

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FOR VALUATION DATE						FOR VALUATION DATE					
Diwali 31-12-77 31-3-78						Diwali 31-12-77 31-3-78					
S.V. 2034						S.V. 2034					
Ra. P. Ra. P. Ra. P.						Ra. P. Ra. P. Ra. P.					
NAME OF SCRIPT						NAME OF SCRIPT					
Paid up per share						Paid up per share					
Rs.						Rs.					
"p"											
10	Pal Andvar	M	10.71	10.71	10.71	100	Polyolefins Industries	A	340.00	267.50	255.00
10	Padmanabha Investment	M	10.00	10.00	10.00	100	Polyolefins Industries	B	247.50	267.50	265.00
10	Phandoomiah Tea	C	8.06	8.06	17.00	10	Poobong Tea	C	4.50	4.50	4.50
10	Panorama Trading	C	3.87	4.00	4.50	10	Poona Industrial Hotel	B	5.00	5.00	6.75
1	Panchura Tea	M	3.25	3.25	3.25	10	Poona Industrial Hotel	Bg	10.00	10.00	10.00
0.60	Panchura Tea	M	1.25	1.25	1.25	5	Poonmudi Agencies	M	3.75	3.75	3.75
100	Pandyan Hotels	M	100.00	100.00	100.00	10	Porritts & Spencer	D	13.12	12.62	12.75
10	Panipat Foods	D	0.50	0.50	0.50	10	Port Shipping Co.	C	6.12	6.12	8.12
10	Pankaj Investment	C	10.00	10.00	10.00	10	Poysha Industries	B	8.60	7.80	10.25
100	Panyam Cement	M	173.00	170.00	198.00	10	Pranav Investment	Mp	10.00	10.00	10.00
100	Panyam Cement	M	172.00	170.00	170.00	100	Prabhat Udyog	B	10.00	16.00	15.00
100	Panyam Cement	Bg	170.00	170.00	210.00	10	Pradyumna Steel	C	2.50	2.50	2.50
100	Panyam Cement	B	175.00	180.00	225.00	10	Prashant Investment	C	5.00	5.00	4.37
100	Paper & Pulp	B	120.00	120.00	120.00	10	Prajeev Investment	C	4.19	4.19	4.44
100	Paper Mill Plant	B	70.00	68.00	71.00	10	Pratap Holdings	C	9.50	9.47	9.53
100	Paper Products	B	57.00	65.50	67.00	10	Pratibha Investment	C	4.06	4.00	4.00
100	Paper Products	D	69.00	69.00	65.00	100	Precision Bearings	B	105.00	90.00	94.00
10	Parijat Investments	C	2.37	2.37	2.37	100	Precision Bearings	A	105.00	90.00	94.00
100	Parik Engg. & Body Build	C	10.44	10.44	10.44	100	Premier Automobiles	B	39.50	34.50	34.00
10	Parkside Tea	M	37.00	37.00	19.50	100	Premier Breweries	M	47.75	42.75	47.75
1	Parrys Confectionary	M	0.52	0.50	0.50	10	Premier Cables	B	10.52	10.52	10.52
25	Parshuram Pottery	B	20.00	20.00	20.00	10	Premier Cable	M	10.00	10.00	10.00
100	Particle Boards					10	Premier Cable	D	7.25	7.25	7.25
10	Pashok Tea	C	55.12	55.12	55.12	60	Premier Construction	B	78.00	87.00	95.00
125	Patell Mills	A	132.00	132.00	132.00	100	Premier Cotton	Bg	142.00	142.00	142.00
10	Pathemara Tea	C	6.12	6.12	6.12	10	Premier Cotton	Bg	13.75	11.00	14.35
10	Patna Electric	C	4.12	4.19	4.37	100	Premier Cotton	M	127.00	127.00	139.00
100	Patrakola Tea	C	88.00	79.00	79.00	10	Premier Cotton	M	12.50	12.50	14.50
10	Pearl Investment	C	1.50	1.50	1.50	100	Premier Die Casting	A	59.00	62.00	62.00
10	Peermade Tea	M	16.50	15.60	17.75	10	Premier Instruments	M	6.10	6.10	6.10
10	Peirce Leslie	M	8.00	8.20	5.95	10	Premier Instruments	Bg	6.10	6.10	6.10
10	Pench Valley Coal	C	0.94	1.00	0.75	10	Premier Fertilizers	P	0.45	0.45	0.45
100	Penguin Textiles	M	75.00	75.00	75.00	100	Premier Mills	Bg	176.00	176.00	176.00
100	Penguin Textiles	M	100.00	100.00	100.00	100	Premier Paper	B	80.00	80.00	80.00
10	Peninsular Investments	B	1.00	1.00	2.20	10	Premier Roller Flour	M	7.26	7.26	7.26
10	Peoples Investments	B	10.00	10.00	10.00	10	Premier Synthetics	B	5.50	5.50	4.24
10	Perfect Circle Victor	D	13.25	13.25	18.06	100	Premier Textiles Mills	M	163.00	163.00	172.00
5	Perfect Circle Victor	D	-	7.37	7.37	100	Premier Tyres	B	97.00	85.00	80.00
10	Peninsular Rubber	M	8.85	8.85	8.85	5	Presidency Jute	C	0.50	1.25	0.50
10	Perfectpac	B	4.50	4.50	8.40	10	Prestolite of India	D	5.00	5.00	5.00
10	Perfectpac	D	4.50	4.50	4.50	100	Promain Ltd.	D	20.00	20.00	10.00
10	Perfectpac	C	5.50	5.50	6.56	10	Protein Products	M	7.50	7.50	7.50
50	Perfect Potteries	Mp	65.00	65.00	65.00	10	Protein Products	B	6.00	6.00	6.00
10	Perfect Circle	B	13.75	13.75	18.75	4	Publicity Society	C	1.19	1.19	1.31
100	Perfect Potteries (M.B.) Ltd.	Mp	90.00	90.00	90.00	10	Pudumjee Pulp	B	11.25	10.50	12.00
2	Peria Karamalai	M	3.95	3.95	3.07	100	Pudukotah	M	35.00	35.00	35.00
10	Periyar Chemical	M	13.00	13.00	14.40	2	Pullangode Robber	M	2.95	2.85	2.55
100	Permanent Magnets	B	75.00	95.00	103.00	100	Pulliecar Textile Mills	M	75.43	75.43	75.43
10	Pesticides	B	3.24	3.24	3.00	50	Pulliecar	M	37.74	37.74	37.74
10	Pfizer	B	27.00	25.50	27.25	10	Punalur Paper Mills	M	6.50	6.50	6.50
50	Phaltan Sugar	B	21.50	20.50	20.50	10	Punalur Paper Mills	B	5.00	5.00	5.00
100	Phas Kona	C	115.00	115.00	115.00	10	Punalur Paper Mills	D	3.75	3.75	3.75
10	Philips Carbon	C	29.62	29.37	32.75	10	Punalur Paper Mills	C	4.94	4.94	5.19
10	Philips Carbon	B	28.75	29.50	33.00	10	Punjab Anand Batteries	D	3.44	4.50	8.31
10	Philips Carbon	D	30.00	30.00	30.00	10	Punjab Anand Batteries	B	3.24	3.76	8.25
10	Philips India	C	22.35	22.45	24.00	10	Punjab Breweries	B	4.00	0.76	0.76
100	Phoenix Mills	B	36.00	30.00	59.00	10	Punjab Breweries	D	3.00	3.00	3.00
100	Phosphate Co.	C	114.00	123.00	107.00	10	Punjab Breweries	C	10.87	10.87	10.87
10	Pilani Investments	Mp	16.25	16.25	16.25	10	Punjab Con. Cast Steel	D	2.30	2.30	2.30
10	Piramal Steel	B	4.50	4.50	9.25	50	Punjab & Sindh Bank	D	60.00	60.00	60.00
10	Plastic Products	D	6.25	6.25	6.25	10	P.N.B. Finance	D	13.25	15.25	15.25
10	Plastic Resins	M	10.75	10.75	10.75	10	Punjab Pest	B	-	-	14.50
10	Platewel	B	4.00	4.00	4.00	5	Punjab Pest	B	14.62	5.50	-
10	Platewel	A	4.00	4.00	4.00	100	Punjab Produce	D	115.00	115.00	115.00
10	Poddar Mills	B	5.50	5.60	5.75	100	Punjab Sugar	D	115.00	124.00	124.00
10	Poddar Silks	B	9.25	9.25	9.00	100	Punjab Sugar	C	50.00	50.00	50.00
10	Poddar Projects	C	4.00	4.00	4.00	5	Punjab United Pesticides	D	5.15	5.15	-
10	Polar Investments	Bg	10.19	10.19	10.19	10	Punjab United Pesticides	D	-	-	13.37
100	Polson	B	82.00	82.00	81.00	10	Purna Investment	C	2.75	2.75	2.75
50	Polychem	B	77.00	67.00	64.00	10	Purtabpore Co.	C	5.00	5.06	6.06

Note: — Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp.

EQUITY SHARES (Contd.)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali S.V. 2034	31-12-77	31-3-78				Diwali S.V. 2034	31-12-77	31-3-78
			Rs.						Rs.	P.	P.
10	Pussimbing Tea	C	7.62	7.62	7.62	10	Ratna Sugar	C	6.65	6.65	6.65
1	Puthutalam Coffee	M	1.63	1.63	2.30	10	Ratnakar Shipping	B	7.25	6.75	5.50
10	Putinbari Tea	C	16.12	16.12	16.12	10	Ratnakar Shipping	C	7.87	7.87	7.87
	"Q"					50	Ravalgaon Sugar	B	43.00	45.00	41.50
10	Quality Investment	C	2.87	2.87	2.50	10	Ravindra Steel Ltd.	C	9.00	9.00	2.00
	"R"					10	Raw Jute Trading	C	5.12	5.12	5.12
10	Rachna Investment	C	4.05	4.62	5.06	10	Ravi Industrial	D	9.00	8.50	8.50
25	Radhakrishna Textile Mills	M	12.00	12.00	12.00	5	Ram Industrial	D	-	4.37	-
5	Radio & Electric	M	1.05	1.05	1.05	10	Ravi Industrial Promotions	D	9.00	12.00	9.50
10	Radio & Electric	Bg	3.10	3.05	3.05	5	Ravi Industrial Promotions	D	4.37	4.37	4.37
5	Raghav Commercial	C	4.69	4.69	4.69	100	Rayalas Seem Textile Mills	M	100.00	100.00	100.00
100	Raghuvanshi Mills	B	9.100	90.00	89.00	10	Raymond Wool	B	26.00	26.25	28.50
10	Raigarh Trading Co.	D	19.75	19.75	19.75	10	Raymond Woollen	D	27.25	27.25	27.25
10	Rainbow Steel	B	0.24	0.24	0.24	10	Raymond Woollen	C	12.15	12.15	12.15
10	Rainbow Steel	D	2.30	2.30	2.30	10	Raza Bulland Sugar	C	2.25	2.25	1.62
100	Raipur Textile Mills	A	165.00	167.50	158.75	10	Raza Textile Mills	D	3.00	3.00	3.00
10	Raipur Wires	B	2.24	2.24	2.24	10	R.B. Rodda	C	12.70	12.70	11.75
100	Raja Bhadr Mills	B	90.00	89.00	92.00	100	R. Choodambikai Mills	M	98.75	98.75	100.00
10	Rajabhat Tea	C	8.19	8.19	8.19	10	Reckitt & Colman	B	10.25	10.50	12.15
10	Rajagiri Rubber	M	8.10	8.10	7.35	10	Reckitt & Colman	C	10.62	10.37	13.06
10	Rajagiri Rubber	B	13.24	13.24	13.24	5	Refrigeration Accessories	C	3.00	3.00	3.00
50	Raja Lakshmi Textile	M	53.00	52.50	72.00	10	Regal Papers	B	3.76	4.00	4.24
100	Rajapalayam Textile	M	71.88	71.88	105.00	10	Regal Papers	D	9.87	9.87	9.87
10	Rajasthan Spg. Mills	B	14.50	14.50	15.25	10	Regent Estate	C	1.00	1.00	1.00
10	Rajasthan Spg. & Wvg. Mills	D	25.00	25.00	15.50	10	Reliance Firebricks	C	3.75	3.75	3.75
10	Rajasthan Spg. & Wvg. Mills	C	27.75	26.87	26.87	5	Reliance Firebricks	C	1.75	1.75	1.75
10	Rajasthan Synthetics	C	1.90	1.90	1.90	10	Reliance Jute	C	8.00	8.87	9.50
10	Rajasthan Vanaspathi	D	5.12	5.87	5.87	10	Remington Rand	C	17.50	16.94	18.62
10	Rajat Investment	C	2.70	2.70	2.70	10	Rewa Coal Fields	C	3.19	2.75	3.50
5	Rajendra Coffee	M	20.37	20.37	20.37	10	Rexroth Maneklal	B	11.00	9.75	10.00
100	Rajesh Textiles	A	50.00	49.00	65.00	10	Rexroth Maneklal	A	11.00	9.50	10.00
10	Rajgarh (Assam) Tea	C	28.69	28.69	41.37	10	R.G. Ispat Ltd.	D	3.00	3.00	3.00
50	Rajkumar Mill	Mp	23.00	30.00	25.00	10	R.G. Ispat Ltd.	C	17.00	17.00	17.00
10	Rajputana Investment	C	7.25	7.25	7.31	10	Richardson Hindustan	B	35.75	33.35	28.50
100	Rallis India	M	85.00	82.00	81.00	10	Rishra Investment	C	5.50	5.50	4.44
100	Rallis India	B	85.00	91.00	80.00	100	R.J. Shah	B	80.00	80.00	80.00
100	Rallis India	C	107.00	89.00	82.00	100	Roberts McLean	C	84.00	84.00	83.50
100	Ralli Machines	B	15.00	15.00	15.00	75	Rockwell	M	75.00	75.00	75.00
10	Rama Cast	D	5.12	5.12	5.12	100	Rockwell	M	60.00	101.50	101.50
10	Rama Cast	B	2.00	2.00	2.00	100	Rohit Mills	A	92.00	95.00	103.00
10	Rama Cast	C	7.06	7.06	7.06	100	Rohit Pulp & Paper	B	89.00	84.00	86.00
100	Ramaraju Surgical Cotton	M	120.00	120.00	120.00	10	Rohtas Industries	D	3.00	2.76	3.62
10	Rameshwar Jute	C	11.12	11.12	11.00	10	Rohtas Industries	B	2.90	2.70	3.81
10	Ramkrishna Ispat	B	3.76	3.76	3.76	10	Rohtas Industries	C	3.05	3.00	3.70
250	Ramkrishna Mills	A	125.00	125.00	125.00	100	Rolcon Eng.	B	165.00	220.00	220.00
100	Ramkrishna Mills	M	85.83	85.83	85.83	100	Rolcon Eng.	A	165.00	220.00	220.00
10	Ramkrishna Mills	M	3.51	3.51	3.51	10	Rollatainers	B	10.00	10.25	11.00
100	Ramnarayan Textile Mills	M	62.40	62.40	62.40	10	Rollatainers Ltd.	C	9.31	10.62	10.12
10	Rammugger Cane & Sugar	A	10.62	9.55	6.94	10	Rollatainers	D	10.12	10.25	11.12
10	Remon & Demm.	C	5.75	5.75	5.75	2.50	Romeo Vickers India	D	1.00	1.00	1.00
10	Remon & Demm.	B	5.75	5.75	6.50	10	Roopacherra Tea	C	11.06	11.06	11.00
10	Ramon Engineering	B	3.70	3.70	3.76	25	Ruby Mills	B	39.00	39.00	35.00
10	Rampur Distilleries	D	4.00	4.00	4.00	10	Rukmini Metals	D	2.00	2.00	2.00
10	Ranbaxy Laboratory	B	10.75	11.25	15.00	10	Rukeegung Coal	C	1.50	1.50	1.50
10	Ranbaxy Laboratory	D	10.62	11.12	14.87	10	Rungamtee Tea	C	10.06	10.00	10.56
10	Rane Brake	M	13.75	13.50	13.50	50	Rustom Jehangir Mills	A	112.50	110.00	128.75
5	Rane (Madras)	M	5.75	5.65	6.36	10	Ryam Sugar	C	3.06	2.90	3.75
10	Ranicherra Tea	C	9.00	9.06	12.62	10	Rydak Tea	C	17.37	15.75	22.56
10	Ramisati Properties	C	5.00	5.00	5.00		"S"				
10	Rathi Alloys & Steel Ltd.	B	2.88	3.24	4.00	10	Sadhana Nitro	B	6.50	7.50	13.25
10	Rathi Alloys & Steel Ltd.	D	3.00	3.00	3.25	10	Saffron Investment	D	2.37	2.95	2.95
10	Rathi Ispat	D	4.75	4.75	4.75	10	Sahayak Finance	H	2.50	2.50	1.90
10	Rathi Gases	B	3.00	3.00	3.00	5	Sagar Investment	B	2.50	2.50	2.50
10	Rathi Gases	D	2.37	2.37	2.37	10	Sahney Paris Rhone	M	10.00	10.00	10.00
10	Rathi Mini Steel	D	1.95	1.95	1.95	10	Sahu Jain	D	10.12	10.12	10.12
10	Rathi Udyog	D	2.00	2.00	2.00	5	Sahu Properties	C	2.25	2.25	1.81
						100	Sajjan Mills	Mp	45.00	45.00	45.00
						10	Sakamari Steel	B	3.00	3.00	3.00
						100	Sakthi Pipes	M	85.00	85.00	20.00

Note :—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=M, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh =Mp.

EQUITY SHARES (Contd)

47

EQUITY SHARES (Contd)										47	
Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77	31-3-78	Diwali 31-12-77				31-3-78		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
10	Sakthi Sugar	M	4.00	3.25	4.75	10	Shantnu Investment	D	5.00	5.00	5.00
10	Sakthi Sugar	B	15.50	15.50	15.50	10	Shaw Wallace	C	11.15	12.56	14.87
10	S.S. Bushings	Bg	10.00	10.00	10.00	10	Sharma Vanijya	C	3.37	3.37	3.37
10	Salem Erode Tea	M	20.25	20.25	18.00	100	Shethia Mining	B	5.76	5.76	5.76
10	Samastipur Central Sugar	C	0.75	0.75	0.75	2	Sheveroy's Coffee	M	3.10	2.83	3.10
10	Sandeep Investment	C	3.75	3.75	4.18	10	Shibir India	C	4.50	4.50	4.50
10	Samridhi Investment	C	6.87	4.05	2.00	10	Shiv Investment	C	4.03	4.25	4.25
10	Sandoz	B	29.00	31.50	42.00	10	Shivaji Works	B	13.50	13.50	10.00
100	Sandur Manganese	Bg	100.00	100.00	100.00	10	Shivamoni Steel	B	5.15	5.15	5.15
10	Dandur Manganese	Bg	10.00	10.00	10.00	10	Shivamoni Steel	Bg	5.30	5.20	5.00
100	Sandvik Asia	B	367.50	353.75	327.50	10	Shimoga Steel	Bg	10.00	10.00	10.00
10	Sangan Investment	C	5.90	5.90	5.00	10	Sh. Proteins & Foods	B	6.75	6.75	6.75
2	Sangameswar Coffee	M	4.30	4.00	3.05	10	Sh. Proteins & Foods (N)	B	4.50	4.50	4.50
10	Sanjay Investment	C	3.00	3.00	3.00	10	Shri Ambica Jute	C	4.87	4.87	4.87
10	Sankey Wheels	B	4.50	5.00	6.25	10	Shri Bhawan Textile	C	10.00	10.00	10.00
10	Sankey Wheels	C	4.56	5.19	6.50	10	Shri Bhawan Cotton	D	10.50	10.50	10.50
10	Sapoti Tea	C	8.62	8.62	7.50	10	Sri Chamundeswar Sugar	Bg	5.50	5.50	5.50
8	Saran Engineering	C	12.25	12.25	12.31	10	Sri Chamundeswar Sugar	M	5.50	5.50	5.50
200	Sarangpur Cotton Mills	A	106.25	100.00	115.00	12.50	Shri Chagdeo Sugar	B	4.00	4.00	4.00
100	Saraspur Mills	A	135.00	141.25	148.75	100	Shri Dinesh Mills	B	207.50	212.50	225.00
10	Saraswati Textile Mills	M	4.50	4.50	4.50	100	Shri Digvijay Cement	B	109.50	108.75	180.00
100	Saraswati Industrial Syndicate	D	92.00	92.00	92.00	100	Shri Digvijay Cement	D	125.00	125.00	125.00
10	Saraswati Steel	B	1.00	1.00	1.00	10	Shri Digvijay Woollens	B	24.50	24.50	28.00
10	Saraswati Steel	D	4.50	4.50	4.50	10	Shri Digvijay Woollens	D	11.62	11.62	11.62
50	Saraswati Insurance	D	2.00	22.00	10.00	10	Sree Durga Agency	C	4.20	3.90	3.90
7.50	Saraya Steel	B	2.50	2.50	2.50	10	Sree Ganga Cold Storage	C	5.00	5.12	5.12
10	Saroj Alloys	B	1.00	1.00	1.24	100	Shri Gopal Industries	B	101.00	101.00	101.00
10	Saroj Alloys	Bg	2.65	2.65	2.65	10	Sree Gopal Investment	C	5.00	5.00	5.00
10	Saroja Textiles	M	10.00	10.00	10.00	10	Sree Hanuman Sugar	C	10.00	10.00	10.00
10	Saru Engineering	D	10.75	10.75	10.75	10	Shri Krishna Gyadodaya	C	3.00	3.00	3.12
10	Sarugan Tea	C	10.00	10.00	10.00	10	Shri Krishna Gyadodaya S.K.G.	D	6.50	6.50	6.50
10	Sarwaraya Textile Mills	M	5.25	5.25	5.25	50	Shri Krishna Rajendra Mills	Bg	35.00	35.00	30.00
100	Sathe Biscuits	B	70.00	70.00	70.00	10	Shri Madhusudan Mills	C	2.00	2.00	2.00
10	Satya Investment	C	10.00	6.62	6.44	10	Shree Mahavir Ispat	B	9.00	9.00	9.00
100	Saurashtra Cement	B	145.00	156.25	162.50	10	Shree Mahavir Ispat	C	1.60	1.60	1.60
2	Savamlai Coffee	M	6.85	6.90	6.00	10	Shri Mahalinga Oil Mills	D	5.00	5.00	5.00
100	Sayaji Mills	A	88.00	85.00	120.00	20	Shree Meenakshi Mills	M	14.25	14.25	14.25
10	Schrader Scovil Duncan	D	34.00	34.00	34.00	10	Shree Meenakshi Sundram Textile	Bg	10.00	10.00	10.00
10	Schrader Scovil Duncan	C	17.62	15.75	18.37	100	Shri Niwas Cotton Mills	B	63.00	61.00	60.00
100	Scientific Instruments	C	90.00	90.00	90.00	100	Shri Niwas Cotton Mills	C	225.00	225.00	225.00
20	Scindia Steam Navigation	B	21.45	20.00	16.50	10	Sri Padmanabha Investment	C	5.00	5.00	4.94
10	Scooters India	B	4.00	3.36	4.00	10	Sree Rajendra Mills	M	7.50	7.50	7.50
10	Scooters India	D	3.75	3.75	3.50	10	Shriram Bearings	B	9.50	9.50	8.50
10	Searle (India)	B	26.50	25.00	29.50	10	Shriram Bearings	D	10.12	19.50	19.50
10	Searsole Chemicals	B	4.00	4.00	7.75	10	Shriram Bearings	C	11.19	10.12	8.94
10	Searsole Chemicals	D	5.50	4.50	7.87	100	Shriram Cotton	B	33.00	34.00	45.00
10	Secals	M	4.50	4.50	6.00	10	Shriram Fibres	M	8.75	8.00	12.15
10	Secals	B	2.00	2.00	7.00	10	Shriram Fibres	D	8.00	9.62	11.81
10	Seeyok Tea	C	4.12	4.12	3.06	10	Shriram Fibres	B	8.00	9.75	12.00
10	Sendra Investment	C	5.06	5.06	5.06	10	Shriram Piston	D	7.00	7.00	7.00
10	Sen Raleigh Ltd.	C	2.69	2.69	2.69	10	Shriram Refrigeration	D	5.62	5.62	4.87
10	Seshasayee Industries	M	5.30	5.75	5.80	100	Shriram Krishna Steel	M	143.00	143.00	143.00
10	Seshasayee Paper	Bg	7.55	8.10	9.90	100	Sri Rameshwar Pd. Investment	C	101.00	101.00	101.00
10	Seshasayee Paper	B	8.00	8.50	10.50	10	Shri Rishab Investment	D	0.25	0.25	0.25
10	Seshasayee Paper	C	7.87	8.06	10.87	10	Shri Sadul Textile	D	8.50	8.50	8.50
10	Seshasayee Paper	M	8.05	8.40	11.00	10	Sree Saraswati Press	C	2.55	2.55	2.55
10	Seven Seas	B	5.75	5.75	4.50	10	Sri Sarwaraya Sugar	M	7.18	7.18	7.18
10	Seven Seas Transport	D	6.06	5.75	5.75	10	Sree Satyanarayana	M	10.00	10.00	10.00
10	S.G. Inv. & Industries	C	5.50	5.50	6.00	10	Shree Sitaram Sugar	C	4.50	4.50	5.00
100	Shah Construction	A	41.00	40.00	41.00	10	Shree Synthetics	C	19.69	19.00	19.56
100	Shah Construction	B	41.00	40.00	41.00	10	Shree Synthetics	B	19.75	19.75	20.25
10	Shah Malleable Casting	B	8.00	8.00	8.00	10	Shree Synthetics	Mp	21.00	18.00	18.00
10	Shahjahanpur Electric	C	4.00	4.00	4.00	100	Sree Valliappa Textiles	M	85.00	85.00	85.00
10	Shalimar Holdings	D	2.75	2.75	2.75	100	Sree Valliappa Textiles	Bg	112.00	112.00	112.00
10	Shalimar Paints	C	9.50	8.81	11.50	10	Sicca Breweries	B	3.00	3.00	1.00
10	Shalimar Rope Works	C	13.06	13.06	13.06	10	Sicca Breweries	M	-	1.00	1.00
10	Shalimar Wire & Ind.	C	11.87	11.87	11.12	10	Sidhartha Ferro Alloys	C	8.25	10.00	10.00
10	Shaktigarh Tex. Indus.	C	6.00	2.94	3.00	5	Sidhartha Ferro Alloys	C	4.56	4.56	4.56
10	Sham Engine Valves	D	6.00	6.00	6.00	100	Sidhpur Mills	A	56.25	56.25	56.25
100	Shambhumath & Sons	D	30.00	30.00	30.00	10	Siemens India	B	36.25	37.25	37.75

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EQUITY SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex	FOR VALUATION DATE						Paid up per share	NAME OF SCRIPT	Ex	FOR VALUATION DATE					
			Diwali 31-12-77			31-3-78						Diwali 31-12-77			31-3-78		
			S.V. 2034	Rs.	P.	Rs.	P.	Rs.				P.	S.V. 2034	Rs.	P.	Rs.	P.
Rs			Rs	P.	Rs	P.	Rs	P.	Rs			Rs	P.	Rs	P.	Rs	P.
10	Sijuba Jherriah Elect.	C	5.00	5.00	4.00				10	Southern Steelmet (New)	Bg	10.00	10.00	10.00			
100	Silver Cotton Mills	A	107.50	107.50	88.00				100	Southern Trawling	M	100.00	100.00	100.00			
10	Silverton Investment	C	2.80	2.80	2.80				100	Southern Trawling	Bg	100.00	100.00	100.00			
10	Simco Meters	M	8.60	8.50	9.45				100	Special Steats	Bg	78.00	102.00	98.00			
10	Simco Meters	Bg	10.00	10.00	10.00				10	Speciality Paper	B	22.00	2.00	2.00			
10	Simco Meters	B	9.10	9.10	9.10				10	Spencer & Co.	M	25.75	25.65	34.50			
10	Simon Carves India	C	11.25	12.19	14.87				100	Spun Pipe	B	36.00	36.00	36.00			
10	Simon Carvds	B	11.75	11.75	15.00				10	S.R.P. Tools	M	8.00	8.00	8.00			
50	Simplex Mills	B	61.50	60.00	58.00				100	Standard Batteries	B	75.00	67.00	60.50			
10	Singel	C	30.00	30.00	30.00				10	S.S. Duncan	B	16.50	15.75	18.50			
100	Siporex	B	108.00	108.00	108.00				10	Standard Motors	M	2.90	2.90	2.90			
100	Sirdar Carbonic Gas	B	100.00	100.00	100.00				100	Standard Mills	B	397.50	386.50	468.00			
10	Sirpur Paper	H	10.50	10.50	15.50				100	Standard Mills	A	399.00	388.00	460.00			
10	Sirpur Paper	B	10.35	12.00	16.00				10	Stanes Amalgamated	M	26.25	26.25	17.50			
10	Sirpur Paper	D	13.12	13.12	16.25				100	Star Company	C	70.00	70.00	70.00			
10	Sirpur Paper	C	11.00	12.90	20.12				50	Star Investment	C	38.75	38.60	36.50			
10	Sirsilk	H	5.10	5.10	5.10				10	Star Paper Mill	D	14.00	14.00	17.06			
10	Sir Silk	D	5.12	4.12	5.25				10	Star Paper Mill	C	13.81	14.00	14.00			
10	Sir Silk	C	5.12	5.50	5.81				10	Star Paper Mill	B	14.00	13.50	20.75			
10	Sita Investment	C	4.50	4.50	4.50				10	Star Paper 'A'	Bg	14.00	13.50	20.05			
100	Sivanandna Steel	M	87.00	87.00	87.00				10	Star Text Engineering	B	8.50	8.00	8.75			
10	Sivanandha Textile Mills	M	11.00	11.00	13.00				25	Star Trading Investment	C	10.50	10.62	11.06			
10	Skol Breweries	B	6.25	6.25	6.25				100	State Bank	B	257.50	270.00	286.25			
100	S.L.M. Maneklal	B	186.25	165.00	205.00				100	State Bank of Bikaner	B	50.00	50.00	50.00			
100	S.L.M. Maneklal	A	190.00	188.00	182.50				100	State Bank of Indore	Mp	100.00	105.00	105.00			
5	Smith Stanistreet	C	0.26	0.26	0.26				100	State Bank of Mysore	Bg	96.00	98.00	102.00			
100	Snail Spanners	B	101.00	101.00	101.00				100	State Bank of Mysore	M	86.00	86.00	86.00			
10	Snowtemp Engg. Co.	D	0.60	0.60	0.60				100	State Bank of Travancore	M	57.00	57.00	57.00			
10	S.N. Sudarshan	D	11.75	11.75	11.75				10	Steel & Allied Products	C	6.50	6.50	6.50			
10	Snowtemp Engg. Co.	C	3.75	3.75	3.75				10	Steel & Allied Products	B	2.00	2.00	2.00			
10	Solid Containers	B	4.50	4.50	4.24												
10	Soma Investments	C	5.05	5.10	4.75												
100	Soniya Organic	B	111.00	111.00	111.00				10	Steel Complex	D	3.87	3.87	3.87			
10	Somani Steels	B	1.76	1.76	1.76				10	Steel Complex	B	2.62	2.62	4.76			
10	Somani Steels	D	3.25	3.25	3.25				10	Steel Complex	Bg	9.00	9.00	9.00			
10	Somani Ferro Alloys	C	10.00	10.00	10.00				10	Steel Complex	M	8.90	8.90	8.90			
10	Somani Pilkington	D	21.75	21.75	20.75				10	Steel Fasteners	C	9.95	9.95	9.95			
10	Somani Pilkington	C	21.50	20.00	18.25				3.50	Steel Products	C	1.00	1.00	1.00			
10	Sonai River Tea	C	2.75	2.75	2.75				10	Steele Crete Consultant	Bg	10.00	10.00	10.00			
5	Sone Valley Port	C	0.72	0.62	0.69				10	Stewards & Lloyds	C	13.12	13.25	16.31			
10	Sooraj Steel Ltd.	C	6.00	6.00	6.00				10	Stone Plah Elect	C	4.19	4.19	4.81			
100	South India Shipping	M	135.00	128.00	117.00				10	Stove Screens	A	8.00	9.00	10.50			
100	South India Shipping	B	135.00	128.75	113.75												
10	South India Steel	M	5.50	5.50	5.50				10	Stove Screens	B	8.00	9.50	10.50			
100	South India Viscose	M	163.00	168.00	175.00				100	Straw Board	D	154.00	154.00	154.00			
100	South India Viscose	B	162.50	167.50	168.75				10	Straw Products	B	12.50	13.25	15.50			
10	South India Wire Ropes	M	4.00	4.00	4.00				10	Straw Products	D	12.66	12.66	14.12			
10	S.K.G.	B	6.36	6.36	6.36				10	Straw Products	C	12.35	13.30	15.20			
10	South Karanpura Coal	C	1.19	1.19	1.19												
10	South Madras Electric	M	15.75	14.80	14.80				10	Stretch Fibres	B	7.00	5.75	6.25			
10	Southern Agrifurane	M	2.25	2.25	2.25				10	Subarna Plantation	C	10.06	5.00	5.25			
10	Southern Agrifurane	C	2.65	3.12	3.00				5	Subarna Plantation	B	5.12	5.12	5.12			
100	Southern Asbestos	M	180.00	170.00	171.50				5	Sudarshan Chemical	C	8.65	-	-			
100	Southern Brick Works	M	100.00	100.00	100.00				10	Sudarshan Chemical	B	-	14.85	21.00			
100	Southern Gas	B	70.00	70.00	70.00												
10	Southern Industrial Corpn.	M	6.90	6.90	6.25				5	Sudarshan Chemicals	D	8.44	-	-			
10	Southern Industrial Corpn.	B	2.00	2.00	2.00				10	Sudarshan Chemicals	D	-	14.75	21.50			
10	Southern Nitro	M	11.75	11.75	11.75				10	Suesan Text Bearings	B	15.50	15.25	14.25			
10	Southern Nitro	B	4.50	4.76	5.00				10	Suesan Text Bearings	A	15.50	15.25	14.25			
10	Southern Petro Chemicals	D	5.00	5.69	5.87				10	Sujata Investments	C	2.50	2.50	2.50			
10	Southern Petro Chemicals	C	5.12	5.81	6.19				10	Sukhjit Starch & Chem.	D	12.87	12.87	12.87			
10	Southern Petro Chemicals	Bg	5.15	5.50	6.25				10	Sumangala Investment Co.	C	4.75	4.75	4.75			
10	S.P.I.C.	M	5.15	5.90	6.10				10	Sundaram Abex	M	7.90	7.90	7.90			
10	S.P.I.C.	Bg	5.40	5.40	6.10				10	Sundaram Finance	M	18.00	18.00	19.25			
10	Southern Steel	H	10.00	10.00	10.00				10	Sundaram Finance	Bg	13.50	13.50	18.25			
10	Southern Steel	B	6.50	6.50	6.50				50	Sundatta Foods	B	42.00	42.00	42.00			
10	Southern Steel	C	8.00	8.00	8.00				10	Sungma Tea	C	4.37	4.37	4.62			
10	Southern Steelmet	C	6.25	6.25	6.25				10	Sunrise Investment	B	3.00	3.00	3.00			
10	Southern Steelmet	B	5.00	5.00	5.00				10	Sunrise Auto	Bg	10.00	10.00	10.00			
10	Southern Steelmet	Bg	9.00	9.00	9.00				10	Sun Paper	M	10.00	10.00	10.00			

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Bangalore=Bg. Madhya Pradesh =Mp.

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali	31-12-77	31-3-78				Diwali	31-12-77	31-3-78
			S.V. 2034						S.V. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
10	Super Com & Investment	C	4.05	4.05	4.05	10	Teesta Valley Tea	C	10.62	10.62	10.12
10	Sunil Synchem	D	8.00	8.00	9.50	10	Telangana Spg.	H	7.00	7.00	7.00
100	Super Spinning	H	100.00	100.00	100.00	10	Telangana Spg. Mills	M	5.00	5.00	5.00
100	Super Spinning	M	170.00	170.00	170.00	10	Telesound India	D	1.50	1.50	1.50
100	Super Spinning	Bg	186.00	186.00	186.00	100	Teliapara Tea	C	18.25	18.25	18.25
10	Superior Air Products	B	3.88	3.88	3.88	10	Teloijan Tea	C	10.37	8.30	11.25
10	Superior Air Products	D	4.15	4.15	4.15	10	Tengpani Tea	C	17.50	17.50	17.50
10	Supreme Credit Corp.	C	5.45	5.45	2.27	100	Tensile Steel	B	66.00	66.00	66.00
100	Supreme Industries	B	205.00	211.25	222.50	100	Tensile Steel	A	66.00	66.00	66.00
100	Supreme Industries	A	205.00	211.25	222.50	10	Terpine Industries	B	11.50	10.75	13.25
100	Surat Electricity	B	107.00	111.50	111.00	100	Testeels Ltd.	A	166.00	175.00	250.00
100	Surat Textile Mills	A	48.00	48.00	48.00	10	Textile Machinery Corp.	B	15.00	17.50	17.50
10	Suri & Nayar	Bg	10.10	10.10	10.10	10	Textile Machinery Corp.	D	10.65	10.65	10.65
10	Suri & Nayar	B	7.00	10.00	10.00	10	Textile Machinery Corp.	C	13.87	18.44	18.44
10	Surendra Stein Malt	B	2.00	2.00	2.00	100	Textool	H	39.00	47.00	45.00
10	Surendra Stein Malt	D	8.75	8.75	8.75	10	Tezpor Tea	C	18.75	17.44	24.12
10	Sutlej Cotton	D	18.25	18.25	17.37	50	Thacker & Company	B	45.00	45.00	45.00
10	Sutlej Cotton	C	17.00	16.75	17.06	10	Thammarpally Rubber	M	13.25	13.25	13.25
10	Sutna Stone Lime	C	5.40	5.40	5.40	10	Thammarpally Rubber	Bg	13.50	13.50	13.50
10	Surya Laxmi Mills	H	4.00	4.00	4.00	100	Thana Electric	B	111.00	110.50	110.00
100	Swadeshi Cotton	B	146.00	149.00	169.00	10	Thanjavur Textile Mill	M	6.75	6.75	9.20
10	Swadeshi Cotton (Kanpur)	B	12.00	12.00	12.00	10	Thirani Chemical	D	10.12	10.12	10.12
10	Swadeshi Cotton	D	10.00	10.00	10.00	10	Thirumalai Chemicals	B	6.75	6.25	8.00
10	Swadeshi Cotton	C	9.00	9.00	9.00	10	Thirumalai Chemicals	M	10.25	10.25	10.25
100	Swadeshi Commercial	C	89.50	89.50	89.50	1	Thirumbadi Rubber	M	1.50	1.50	1.47
10	Swadeshi Polytex	M	22.50	22.50	22.50	60	Thomas Steaphen	M	53.76	53.76	53.76
10	Swadeshi Polytex	Bg	22.00	22.00	24.00	10	Tide Water Oil Company	C	10.50	8.12	8.12
10	Swadeshi Polytex	A	21.25	22.50	20.25	10	Tiffin's Barytes	M	9.50	9.50	9.50
10	Swadeshi Polytex	D	21.62	22.87	20.37	10	Tiger Locks	D	3.62	3.62	3.62
10	Swadeshi Polytex	B	21.25	22.65	20.35	10	Tinnevelly Tuticorin	M	13.00	13.00	13.00
10	Swadeshi Polytex	C	21.25	22.37	22.06	10	Tinplate Company of India	C	5.75	5.00	7.87
10	Swadeshi Polytex	Mp	15.10	22.00	22.00	10	Tinplate	B	5.50	4.76	8.75
100	Swamiji Textile Mills	M	97.89	97.89	97.89	10	Tinsukia Dev. Corporation	C	5.00	5.00	5.00
100	Swan Mills	B	80.00	82.00	92.50	10	Tirrihannah Tea	C	75.00	75.00	70.00
10	Swrup Vegetable Products	D	6.56	6.56	6.56	100	Tirmurti Textile Mills	M	40.00	40.00	40.00
10	Swastik Rubber	B	2.12	2.24	3.00	1	Titagarh Jute	C	3.12	6.25	1.75
10	Swastik Safe	B	5.05	5.05	5.05	2.50	Titagarh Paper	C	2.12	1.97	2.00
100	Swastik Textile Mills	B	40.00	40.00	40.00	10	Titagarh Paper	C	6.37	6.44	7.19
20	Swastik Textile (Defd.)	B	6.00	6.00	6.00	10	Titagarh Paper A	B	6.50	6.50	7.25
10	Sylvania & Laxman	B	2.24	2.24	2.50	10	Titagarh Paper B	B	6.50	6.50	7.25
10	Sylvania & Laxman	D	2.06	2.06	2.16	100	Tiwac Industries	Bg	35.00	35.00	35.00
100	Synthetics & Chemicals	B	145.00	162.50	153.00	10	T.K. Chemicals	B	1.00	1	1.00
"T"						100	T. Maneklal Mfg.	B	172.50	165.00	186.00
100	Tak Machinery	B	64.00	64.00	49.00	100	T. Maneklal Mfg.	A	172.50	162.50	186.25
100	Tak Machinery	A	64.00	64.00	49.00	10	Toshiba Anand Batteries	M	10.00	10.00	10.00
2	Talayer Tea	M	1.38	1.38	1.36	10	Toshiba Anand Batteries	B	9.00	9.00	13.50
100	Tamiland Card Board	M	100.00	100.00	100.00	10	Toshiba Anand Lamps	M	12.40	12.40	12.40
10	Tamiland Chromates	M	10.35	10.35	10.35	10	Toshiba Anand Lamps	D	17.00	17.00	17.00
100	Tan India Mattie	M	100.00	100.00	100.00	10	T.R. & Tea	M	6.70	7.10	8.50
10	Tanfort Tyres	Bg	5.00	5.00	5.00	100	Trac Industries	M	85.00	85.00	85.00
10	Tanfort Tyres	C	10.00	10.00	10.00	1	Track Parts of India	D	10.00	10.00	10.00
10	Taranagar Investment	C	5.50	5.50	5.50	10	Tractor India	B	26.35	31.00	26.50
100	Tarun Commercial Mills	A	60.50	58.00	56.00	10	Trade Wings	B	4.76	4.76	4.76
10	Tata Chemicals	A	26.50	25.25	27.50	10	Transformers	M	6.00	6.00	6.00
10	Tata Chemicals	B	25.75	25.00	27.25	10	Transport Corporation	B	15.25	15.25	15.25
100	Tata Eng. & Locomotive	B	206.50	207.00	234.00	5	Transport Corporation (New)	B	7.25	7.25	7.25
10	Tata Finlay Ltd.	B	17.00	19.00	28.75	10	Transport Corporation	H	10.00	10.00	10.00
10	Tata Finlay Ltd.	C	16.50	20.12	27.89	10	Transport Corporation (New)	H	14.00	14.00	10.50
100	Tata Hydro Electric	B	106.50	107.50	112.50	10	Transport & Electric	M	9.50	9.50	9.50
100	Tata Iron & Steel	B	80.00	82.75	69.50	10	Travancore Cement	M	5.85	5.85	5.85
100	Tata Iron & Steel	A	80.00	82.40	105.60	10	Travancore Chemical Mfg.	M	10.00	9.35	9.75
100	Tata Merlin	B	45.50	45.50	40.00	100	Travancore Electro Chemical	B	122.00	122.00	122.00
25	Tata Oil Mills	B	41.50	39.25	43.00	100	Travancore Electro Chemical	B	125.00	132.50	192.50
100	Tata Power	B	106.50	113.00	118.00	10	Travancore Ogale	M	3.75	3.75	3.75
25	Tata Textile Mills	B	19.50	19.50	18.00	10	Travancore Rayons	M	5.50	5.60	5.50
100	Tata Yodogawa	B	76.00	77.50	106.50	10	Travancore Rayons	B	5.35	5.75	5.55
10	Tacalmit (India)	C	6.25	6.31	6.31	10	Travancore Rubber	M	9.87	9.87	9.87
10	Teekoy Rubber	M	8.85	8.85	8.85	10	Travancore Sugar	M	3.40	3.25	3.25
						10	Triveni Sheet Glass	C	4.87	4.87	4.87
						10	Triveni Tissues	C	16.30	16.65	18.10

Note:—Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=M, Madras=M, Exchange=Ex. and Issue Price=—

Bangalore=Bg, Madhya Pradesh =Mp.

EQUITY SHARES (Contd)

Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77	31-12-77	31-3-78				Diwali 31-12-77	31-12-77	31-3-78
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
10	Trichinopoly Textile Mills	M	6.50	5.50	5.50	100	Upper Doab Sugar	B	52.00	52.00	52.00
100	Trichy Distilleries	M	103.00	103.00	101.50	100	Upper Doab Sugar	D	50.00	50.00	54.00
10	Trichy Steel Rolling	M	12.25	13.25	13.25	10	Upper Ganges Sugar	C	17.37	18.00	15.62
10	Trimurti Agro	B	2.00	1.50	2.24	50	Upper India Couper	C	20.00	20.00	20.00
10	Tri-sure India Public	B	6.65	7.00	9.00	10	Urvi Investment	A	5.10	5.10	5.10
10	Triton Valves	Bg	10.00	10.00	10.00	10	Urvi Investment	B	5.10	5.10	5.05
10	Triveny Engineering Works	B	11.50	11.50	11.50	10	Usha Alloys & Steels	B	8.25	9.25	10.35
10	Triveny Engineering Works	D	18.00	10.25	10.44	10	Usha Alloys & Steels	D	8.00	9.06	10.25
25	Tropical Rubber	M	16.00	16.00	16.00	10	Usha Alloys & Steels	C	8.37	9.37	10.50
A10	T. Stanes	M	11.00	11.00	13.00	10	Usha Atlas Hydraulic	C	8.00	8.25	8.00
10	Tubes & Malleables	M	3.90	3.90	3.90	10	Usha Forgings & Stampings	D	3.25	8.00	8.00
10	Tube Investment	M	9.80	10.00	7.75	10	Usha Martin Black	B	15.50	14.65	15.75
10	Tube Suppliers	M	10.00	10.00	10.00	10	Usha Martin Black	C	15.65	14.87	15.62
10	Tube Suppliers	B	5.00	5.00	5.00	10	Usha Spg. & Wvg.	B	2.90	2.90	2.90
5	Tulsipur Sugar	C	4.19	3.50	4.06	10	Usha Spg. & Wvg.	D	4.00	4.00	4.00
10	Tulsian Investment	C	5.25	5.25	5.25	10	Usha Telehoist	C	29.87	31.00	16.25
10	Tunagbhadra Industries	H	13.00	10.25	11.15	10	U.P. Asbestos	D	3.00	3.00	3.00
10	Tunghbadra Industries	B	10.00	10.15	10.50	10	Uttar Pradesh Hotels	B	4.00	4.00	2.00
10	Tunghbadra Industries	C	12.00	10.25	11.40	10	Uttar Pradesh Hotels	D	10.75	10.75	10.75
10	Tuticorin Spg. 'A'	M	9.06	9.06	9.06	10	Uttar Pradesh Hotels	C	3.70	3.70	3.70
10	Twyford Tea	M	7.50	7.50	5.35		"V"				
10	Twyford Tea	B	4.52	4.52	4.52	10	Vaikundam Rubber	M	20.25	20.25	20.25
10	Tyroon	C	20.00	24.00	25.75	100	Vallabh Glass Works	A	109.00	129.00	170.00
	"U"					10	Vankatesa Investment	D	6.00	6.00	6.00
10	Udayagiri Tea	M	10.25	10.25	10.25	10	Vardhman Spg. & Ginning Mills	B	10.25	10.25	8.00
100	Ugar Sugar Works	Bg	150.00	150.00	150.00	10	Vardhman Spg. & Ginning Mills	D	10.50	10.50	7.75
100	Ugar Sugar Works	B	120.00	120.00	120.00	10	Varistha Udyog	D	5.12	5.12	5.12
100	Ultra Marine & Pigments	B	119.00	111.00	115.00	5	Varistha Udyog	D	-	0.50	0.50
10	Uni Abex Alloy	B	6.00	6.25	4.76	100	Vasanta Textile Mills	M	33.00	33.00	33.00
10	Uni Abex Alloy	D	7.25	6.37	6.37	2	Vayitri Tea	M	0.90	0.90	1.00
100	Unichem Laboratories	B	116.25	116.25	130.00	10	Vazir Sultan Tobacco	B	20.25	18.65	21.50
10	Unicorn Tyres	B	2.00	1.24	1.76	10	Vazir Sultan Tobacco	H	19.80	18.85	21.00
10	Uniloids Ltd.	H	10.00	10.00	10.00	10	Vazir Sultan Tobacco	D	-	18.70	21.25
5	Uniloids Ltd.	H	5.00	5.00	5.00	10	Vazir Sultan Tobacco	C	20.00	20.12	19.75
10	Union Carbide (India)	C	20.00	19.60	24.80	10	Veegal Engines & Eng.	C	2.44	2.44	2.44
100	Union Company	C	74.00	74.50	74.00	5	Velemalai Rubber	M	9.25	9.25	9.25
10	Union Home Products	Bg	10.00	10.00	10.00	10	Vellore Electric	M	16.25	16.25	16.25
7.50	Union Home Products	Bg	7.50	-	-	50	Venkat:- Textile Mills	M	53.00	53.00	53.00
100	Union Jute	C	7.00	7.00	7.00	10	Venus Paper Mills	B	5.00	5.00	5.00
10	United Breweries	M	7.25	7.25	8.50	10	Venus Paper Mills	D	4.37	4.37	4.37
10	United Breweries	Bg	8.00	8.00	8.55	10	Vickers Sperry	B	16.15	16.00	20.75
10	United Collieries	C	2.35	2.35	2.25	10	Vicky Investments	C	2.75	2.75	2.75
100	United Carbon	B	207.50	210.00	200.00	10	Vicon Limited	Bg	3.00	3.00	3.00
5	United India Credit Development	C	2.53	2.50	2.50	100	Victoria Mills	B	240.00	245.25	165.00
50	United Commercial Bank	C	24.37	25.25	26.12	10	Vidarbha Iron	B	3.24	3.50	4.00
10	United Electrical	M	7.82	7.82	7.82	10	Vidarbha Org.	B	4.50	4.50	4.50
10	United Flour	C	7.06	7.06	7.06	10	Vidarbha Paper	B	5.00	5.00	5.00
23	United Motors	B	18.25	17.50	17.50	10	Vijay Spg. Mills	H	10.00	10.00	10.00
10	United Nilgiri Tea	M	19.50	19.50	19.25	10	Vijay Spg. Mills	M	8.25	8.25	6.60
10	United Provinces Sugar	C	2.75	2.75	2.75	250	Vijaya Textile Mills	A	110.00	106.25	103.75
100	United Wire Rope	B	44.00	44.00	45.00	100	Vijay KUMAR Textile Mills	M	67.50	67.50	67.50
10	Universal Cables	B	21.75	22.00	28.75	100	Vijayalakshmi Textile Mills	M	75.00	75.00	75.00
10	Universal Cans	B	5.50	5.75	14.00	100	Vijayeswari Textile Mills	M	101.00	101.00	101.00
25	Universal Dyestuff	A	44.00	46.00	43.50	10	Vijaywada Bottling Co.	H	10.00	10.00	10.00
25	Universal Dyestuff	B	46.00	44.50	44.00	10	Vikram Investment	D	9.25	9.25	9.25
10	Universal Electric	C	11.87	14.06	20.00	10	Vikram Investment	C	7.45	7.35	7.00
10	Universal Glass	D	4.69	4.69	4.69	200	Vikram Mills	A	250.00	240.00	310.00
10	Universal Industries & Cotton	C	2.81	3.31	3.80	7.50	Vikrant Tyres	D	-	0.50	0.50
10	Universal Investment Trust	D	4.00	4.00	4.00	10	Vikrant Tyres	Bg	10.00	10.00	10.00
10	Universal Plast	C	9.31	9.31	9.00	10	Vikrant Tyres	B	2.24	3.76	3.76
10	Universal Plast	D	10.37	10.37	10.37	10	Vinit Traders & Invest.	C	2.25	2.50	2.50
10	Universal Petrochemical	C	8.00	8.00	7.12	100	Vinod Textile Mills	Mp	20.00	20.00	20.00
10	Universal Steel & Alloys	D	3.50	3.00	7.37	5	Vinod Investment	D	4.31	4.31	4.25
10	Universal Tobacco	H	10.00	10.00	10.00	50	Virudhunagar Textile Mills	M	38.50	38.50	35.00
10	Universal Tyres	D	16.00	16.00	16.00	100	Vishnu Sugar	B	121.00	121.00	121.00
10	Universal Tyres	C	2.69	2.12	1.87	250	Vivekanand Mills	A	235.00	235.00	235.00
10	Universal Wires	C	8.44	8.44	8.44	100	Volta Ltd.	B	118.00	114.50	125.00
10	Universal Wires	H	10.00	10.00	10.00	100	V.S.T. Tillers Tractors	M	35.00	35.00	35.00
10	Universal Wires	B	6.75	6.75	6.75	100	V.S.T. Tillers Tractors	Bg	33.75	33.75	33.75
						10	Vulcan Laval	B	19.25	19.25	28.00
						50	Vysya Bank	Bg	50.50	50.50	50.50

Note: — Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

Bangalore=Bg, Madhya Pradesh =M_p

EQUITY SHARES (Contd)

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Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE			Paid up per share	NAME OF SCRIPT	Ex.	FOR VALUATION DATE		
			Diwali 31-12-77 31-3-78						Diwali 31-12-77 31-3-78		
			S.V. 2034						S.V. 2034		
Rs.			Rs. P.	Rs. P.	Rs. P.	Rs.			Rs. P.	Rs. P.	Rs. P.
	"W"										
100	Walchandnagar Industries	B	111.00	120.00	100.00	100	Widia India 'C' Series	B	255.00	250.00	302.50
1	Walford Transport	C	0.37	0.30	0.35	10	Willard (India)	B	2.62	3.76	5.50
1	Walford Transport	C	0.25	0.25	0.50	10	Willard (India)	D	3.50	3.00	3.00
100	Wandelside National Cond.	B	56.00	56.00	55.00	10	Wimco Ltd.	C	13.37	13.37	12.37
10	Warner Hindustan	H	41.50	41.50	41.50	10	Wimco	B	13.35	12.75	13.60
10	Warner Hindustan	B	26.35	24.25	28.75	10	Wimco (Public)	B	11.25	11.25	12.25
2	Wartyhully Coffee	M	7.10	7.10	4.90	10	Wimco (New)	D	11.25	11.31	12.25
1	Waverley Investment	C	0.37	0.37	0.37	10	Window Glass Ltd.	C	3.12	3.60	8.37
10	Wavin (India)	M	11.87	11.87	11.87	100	Wipro	B	109.00	109.00	135.00
10	Ways Enterprises	C	1.20	1.20	1.20	10	Wood Land	M	4.00	4.00	4.00
10	Welcast Steels	Bg	4.50	4.50	4.50	10	Wood Polymer	B	3.50	3.50	3.50
10	Welcast Steels	B	2.76	3.12	6.00	10	Wood Polymer	A	3.50	3.50	3.50
10	Wellman Incandescent	C	7.94	7.81	9.75	10	Wool Combers of India	C	12.06	11.94	10.62
10	West Coast Electric	M	9.85	9.85	9.85	10	Wool Combers	D	16.62	16.62	16.62
100	West Coast Paper	Bg	135.00	135.00	135.00	10	Wool Combers	B	17.25	11.75	11.00
100	West Coast Paper Mills	C	157.00	127.00	127.00	10	W.S. Insulators	M	6.00	6.00	7.60
100	West Coast Paper	B	130.00	130.00	142.50	10	W.S. Insulator	B	9.00	9.00	9.00
10	Western Bengal Coal	C	1.50	2.00	2.00		"Y"				
100	Western India Commercial	C	74.00	74.00	74.00	10	Yamuna Gases	D	2.75	2.75	2.75
100	Western India Glass	B	3.76	3.76	3.76	50	Yamuna Syndicate	D	80.00	80.00	80.00
10	Western India Industrial Corpn.	Bg	5.00	5.00	5.00	10	Yashwan Deepak	C	2.50	3.00	3.15
100	Western India Plywoods	M	140.00	140.00	140.00	10	Yeast Alco Enz	B	1.76	1.76	1.76
100	Western India Plywood	Bg	145.00	145.00	145.00	10	Yeast Alco Enz	A	1.50	1.50	1.50
100	Western India Plywood	B	140.00	140.00	140.00		"Z"				
10	Western Ministeel	B	2.50	2.76	4.00	100	Zandu Pharmaceuticals	B	71.00	85.00	100.00
10	Western U.P. Electricity	D	2.00	2.00	1.06	100	Zell-Ate	B	40.00	40.00	38.50
10	W.G. Forge	B	7.50	6.75	7.65	10	Zenith Steel Pipes	B	19.00	19.25	24.50
150	W.H. Brady	B	22.00	22.00	22.00	10	Zuari Agro	M	21.00	21.00	21.00
10	W.H. Harton Co.	D	11.25	11.25	11.25	10	Zuari Agro	B	18.35	19.75	23.00
100	Wheelabrator	B	37.50	37.50	15.00	10	Zuari Agro Chemical	D	17.75	18.62	20.50
10	Wheels India	M	11.90	11.90	13.25	10	Zuari Agro Chemical	C	16.75	19.44	22.75
10	Whitco	B	8.50	8.00	8.15						
10	Whitco	A	8.50	8.00	8.15						
100	Widia India 'C' Series	M	235.00	235.00	250.00						
100	Widia India 'C' Series	Bg	270.00	270.00	251.00						

Rs. :- Ahmedabad=A, Bombay=B, Calcutta=C, Delhi=D, Hyderabad=H, Madras=M, Exchange=Ex. and Issue Price=*

nglore=Bg, Madhya Pradesh =Mp.

MARKET QUOTATIONS OF GOLD SILVER AND UNITS OF UNIT TRUST OF INDIA

Valuation Date	Gold Standard 24 carats for 10 gms. Rs. P.	Silver 9960 Touch for 1 kg. Rs. P.	Units of Unit Trust of India for 1 Unit Rs. P.
Diwali 1969	181.00	489.50	10.25
31st December, 1969	177.00	475.00	10.35
31st March, 1970	184.50	521.00	10.55
Diwali 1970	181.25	535.00	10.40
31st December, 1970	183.75	562.25	10.45
31st March, 1971	193.00	585.00	10.55
Diwali 1971	200.00	551.75	10.30
31st December, 1971	204.00	541.00	10.40
31st March, 1972	202.75	534.50	10.50
Diwali 1972	242.25	530.00	10.40
31st December, 1972	243.50	581.50	10.55
31st March, 1973	278.50	619.00	10.75
Diwali 1973	356.00	771.00	10.40
31st December, 1973	368.00	834.00	10.55
31st March, 1974	506.00	1260.00	10.75
Diwali 1974	530.00	1220.00	10.10
31st December, 1974	526.00	1115.00	10.15
31st March, 1975	540.09	1025.00	10.25
Diwali 1975	547.00	1155.00	10.20
31st December, 1975	531.00	1156.00	10.30
31st March, 1976	532.00	1127.00	10.75
Diwali 1976	560.00	1175.00	10.25
31st December, 1976	561.09	1215.00	10.40
31st March, 1977	573.00	1310.00	10.80
Diwali 1977	658.00	1325.00	10.70
31st December, 1977	681.00	1238.00	10.70
31st March, 1978	665.00	1382.00	11.40

Note :- The gold and silver rates have been taken from the register of rates of Bombay Bullion Association Ltd., Bombay.

Valuation of Gold Ornaments

1. The value of gold ornaments should be taken at fair market value. It has been laid down by the C.B. D. T. vide their circular no. 3 (WT) of 1957 dated 28.9.57 that in valuing jewellery the main thing to take into account is the precious stones, if any. No meticulous calculation of making charges is necessary, unless prima facie there is something wrong in the assessee's figures for making charges, it may be accepted.
2. If the contents of gold in ornaments is less than 24 carats, the proportionate reduction should be made from the value of gold ornaments.

Declaration of ornaments made of gold under the Gold Control Act, 1968 (articles XLB of 1968)

It is necessary for every person who owns or possesses gold ornaments or gold articles exceeding 2000 grammes in the case of individual and 4000 grammes in the case of a family, to submit an statement to the Gold Control Authority in the prescribed form.

For the purposes of Gold Control Act, 1968, Family shall be deemed to consist of the husband, wife and any one or minor children or, and two or more of them but shall not be deemed to include any other person.

THE FINANCE ACT, 1978

*to give effect to the financial proposals of the central government
for the financial year 1978-79*

enacted by Parliament in the twenty ninth year of the Republic of India as follows :—

CHAPTER I

Preliminary

Short title and commencement.

This act may be called the finance Act, 1978

Save as otherwise provided in this Act sections 2 to 33 and section 40 shall be deemed to have come into force on the 1st day of April, 1978

CHAPTER II

Rates of income-tax

Income tax

Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April 1978, income-tax shall be charged at the rates specified in part I of the Schedule and shall be increased.--

(a) in the cases to which paragraphs A, B, C and D of the part apply, by a surcharge for purposes of the union; and

(b) in the cases to which paragraph E of that part applies, by a surcharge calculated in each the manner provided there in

in the cases to which Sub-paragraph I or sub paragraph II of paragraph A of part I of the schedule, applies, where the assessee has, in the previous year, any net agricultural income, in addition to total income and the total income exceeds ten thousand rupees, then,—

a) the net agricultural income shall be taken in to account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first eight thousand rupees of the total income but without being liable to tax), only for the purpose of charging income tax in respect of the total income; and

b) the income-tax chargeable shall be calculated as follows—

(i) the total income and the net agricultural income shall be aggregated and the amount of income tax shall be determined in respect of the aggregate income at the rates specified in sub-paragraph I or, as the case may be, Sub-paragraph II of the said paragraph A, as if such aggregate income were the total income :

Provided that for the Purposes of determining the amount of income-tax in accordance with this Sub-clause, the provisions of clause (ii) of the proviso below sub-paragraph I or, as the case may be, sub-paragraph II of the said paragraph A and the provisions relating to surcharge on income-tax in the said Sub-paragraphs shall not apply;

(ii) the net agricultural income shall be increased by a sum of eight thousand rupees and the amount of income tax shall be determined in respect of the net agricultural income as so increased at the rates specified in sub-paragraph I or, as the case may be, sub-paragraph II of the said paragraph A, as if the net agricultural income as so increased were the total income:

Provided that for the purposes of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (i) and clause (ii) of the proviso below Sub-paragraph I or, as the case may be, Sub- Paragraph II of the said Paragraph A and the provisions relating to surcharge on income-tax in the said Sub-Paragraphs shall not apply;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) :

Provided that where the sum so arrived at exceeds seventy per cent. of the amount by which the total income exceeds ten thousand rupees, the excess shall be disregarded;

(iv) the amount of income-tax determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

- (3) In cases to which the provisions of Chapter XII or section 164 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be.
- (4) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 194E of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the Schedule.
- (5) Subject to the provisions of sub-section (6), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the Schedule :

Provided that in cases to which the provisions of Chapter XII or section 164 of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be.

- (6) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income, in addition to total income, and the total income exceeds ten thousand rupees, then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,
 - (a) the net agricultural income shall be taken in to account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first eight thousand rupees of the total income but without being liable to tax), only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and
 - (b) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows :-
 - (i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income :

Provided that for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below Sub-Paragraph I or as the case may be, Sub-Paragraph II of the said Paragraph A and the provision relating to surcharge on income-tax in the said Sub-Paragraphs shall not apply;

- (ii) the net agricultural income shall be increased by a sum of eight thousand rupees and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income :

Provided that for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (i) and clause (ii) of the proviso below Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A and the provisions relating to surcharge on income-tax in the said Sub-Paragraph shall not apply;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, "advance-tax" determined in accordance with sub-clause (ii) :

Provided that where the sum so arrived at exceeds seventy per cent. of the amount by which the total income exceeds ten thousand rupees, the excess shall be disregarded ;

(iv) the amount of income-tax or "advance tax" determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax or, as the case may be, "advance-tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(7) For the purposes of this section and the Schedule,---

- (a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the income-tax Act ;
- (b) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1978, has made the prescribed arrangements for the declaration and payment within India of the dividend (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act ;
- (c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

*Explanation,---*For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income :

- (d) "Insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);
- (e) "net agricultural income", in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the Schedule ;
- (f) "tax-free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government ;
- (g) all other words and expressions used in this section or in the Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of section 6. In section 6 of the Income-tax Act, in clause (1), the following Explanation shall be inserted at the end with effect from the 1st day of April, 1979, namely :—

Explanation.—In the case of an individual, being a citizen of India, who is rendering service outside India and who is or has been in India on leave or vacation in the previous year, the provisions of sub-clauses (b) and (c) shall apply in relation to that year as if for the words "thirty days" and "sixty days", respectively occurring in the said sub-clauses, the words "ninety days" had been substituted :

4. **Amendment of section 23.** In section 23 of the Income-tax Act, in the second proviso to sub-section (1), with effect from the first day of April, 1979,—
- in clause (b), for the words, figures and letters "completed after the the 31st day of March, 1970", the words, figures and letters "completed after the 31st day of March, 1970 but before the 1st day of April, 1978" shall be substituted;
 - for the words, brackets and letters "so, however, that the income in respect of any residential unit referred to in clause (a) or clause (b) is in no case a loss.", the following shall be substituted, namely:—
 "(c) in the case of a building comprising one or more residential units, the erection of which is completed after the 31st day of March, 1978, for a period of five years from the date of completion of the building, be reduced by a sum equal to the aggregate of—
 (i) in respect of any residential unit whose annual value as so determined does not exceed two thousand four hundred rupees, the amount of such annual value;
 (ii) in respect of any residential unit whose annual value as so determined exceeds two thousand four hundred rupees, an amount of two thousand four hundred rupees,
 so, however, that the income in respect of any residential unit referred to in clause (a) or clause (b) or clause (c) is in no case a loss."
5. **Amendment of section 32.** In section 32 of the Income-tax Act, in sub-section (1), in clause (iv), for the words "twenty per cent.", the words "forty per cent." shall be substituted with effect from the 1st day of April, 1979.
6. **Amendment of section 35B :-** In section 35B of the Income-tax Act,
- in sub-section (1),-
 - in the proviso to clause (a), after the words figures and letters after the 28th day of February, 1973, the words figures and letters "but before the 1st day of April, 1978" shall be inserted;
 - in clause (b),-
 - in sub-clause (i), the words figures and letters, "where such expenditure is incurred before the 1st day of April 1978" shall be inserted at the end;
 - in sub-clause (iii), the words figures and letters, "where such expenditure is incurred before the 1st day of April 1978, shall be inserted at the end;
 - after sub-section (1), the following sub-section shall be inserted namely :—
 "(A) Notwithstanding anything contained in sub-section (1), no deduction under this section shall be allowed in relation to any expenditure incurred after the 31st day of March, 1978 unless the following condition are fulfilled, namely :—
 - the assessee referred to in that sub-section is engaged in :—
 - the business of export of goods and is either a small-scale exporter or a holder of an Export House Certificate; or
 - the business of provision of technical know-how or the rendering of service in connection with the provision of technical know-how, to persons outside India; and
 - the expenditure referred to in that sub-section is incurred by the assessee wholly and exclusively for the purposes sub-clause (i) or as the case may be, sub-clause (ii) of clause (a)
- Explanation :—**For the purpose of this sub-section.
- "small-scale exporter" means a person who export goods manufactured or produced in any small-scale Industrial undertaking or undertakings owned by him;
 Provided that such person does not own any industrial undertaking which is not a small-scale industrial undertaking;
 - "Export House Certificate" means a valid Export House Certificate issued by the Chief Controller of Imports and Exports, Government of India;
 - "provision of technical know-how" has the meaning assigned to it in sub-section (2) of section 80 MM;
 - "small-scale Industrial undertaking" has the meaning assigned to it in clause (2) of the *Explanation* below sub-section (2) of section 32A"

7. **Insertion of new section 35CCA.** In the Income-tax Act, after section 35CC, the following section shall be inserted with effect from the 1st day of June, 1978, namely:—

Expenditure by way of payment to associations and institutions for carrying out rural development programmes.

'35CCA. (1) Where an assessee incurs any expenditure by way of payment of any sum, to an association or institution to which this section applies, to be used for carrying out any programme of rural development approved by the prescribed authority, the assessee shall be allowed a deduction of the amount of such expenditure incurred during the previous year.

(2) This section applies to any association or institution—

(a) which has its object the undertaking of any programme of rural development; and

(b) which is for the time being approved in this behalf by the prescribed authority :

Provided that the prescribed authority shall not grant such approval for more than three years at a time.

Explanation.—For the purposes of this section, "programme of rural development" shall have the meaning assigned to it in the *Explanation* to sub-section (1) of section 35CC.

(3) Where a deduction under this section is claimed and allowed for any assessment year in respect of any expenditure referred to in sub-section (1), deduction shall not be allowed in respect of such expenditure under section 35C or section 35CC or section 80G or any other provision of this Act for the same or any other assessment year.'

8. **Amendment of section 37.** In section 37 of the Income-tax Act, after sub-section (3), the following sub-sections shall be inserted with effect from the 1st day of April, 1979, namely :-

'(3A) Notwithstanding anything contained in sub-section (1) but without prejudice to the provisions of sub-section (3) where the aggregate expenditure incurred by an assessee on advertisement, publicity and sales promotion in India exceeds forty thousand rupees, so much of such aggregate expenditure as is equal to an amount calculated as provided hereunder shall not be allowed as a deduction namely :—

- | | |
|---|---|
| (i) where such aggregate expenditure does not exceed .25 per cent. of the turnover or, as the case may be, gross, receipts of the business or profession | 10 per cent. of the adjusted expenditure; |
| (ii) where such aggregate expenditure exceeds .25 per cent. but does not exceed .5 per cent. of the turnover or, as the case may be, gross receipts of the business or profession | 12.5 per cent. of the adjusted expenditure; |
| (iii) where such aggregate expenditure exceeds .5 per cent. of the turnover or, as the case may be, gross receipts of the business or profession. | 15 per cent. of the adjusted expenditure. |

Explanation.—For the purposes of this sub-section,—

(a) "adjusted expenditure" means the aggregate expenditure incurred by the assessee on advertisement, publicity and sales promotion in India as reduced by so much of such expenditure as is not allowed under sub-section (1) and as further reduced by so much of such expenditure as is not allowed under sub-section (3);

(b) "turnover" and "gross receipts" mean turnover or gross receipts, as the case may be, as reduced by any discount or rebate allowed by the assessee.

"(3B) Nothing contained in sub-section

(3A) shall apply in relation to any expenditure incurred by an assessee on

(i) advertisement in any small newspaper :

(ii) advertisement in any newspaper for recruitment of personnel :

(iii) the publication in any newspaper of any notice required to be published by or under any law.

(iv) the maintenance of any office for the purposes of advertisement publicity or sales promotion :

- (v) the payment of salary (as defined in clause (i) of section 17) to any employee engaged in advertisement publicity or sales promotion :
- (vi) the holding of, or participation in, any press conference, sales conference, trade convention, trade fair or exhibition;
- (vii) publication and distribution of Journals, catalogues or price lists;
- (viii) such other items as may be prescribed,

Explanation 1—For the purposes of clause (1), an advertisement in a newspaper shall be deemed to be an advertisement in a small newspaper, if the average circulation of such newspaper in the year in which such advertisement has been published, is certified by the prescribed authority as not exceeding fifteen thousand copies.

Explanation 2.—"Average circulation", in relation to any newspaper, shall be taken to be the number arrived at by dividing the aggregate of the number of copies of such newspaper circulated during a year by the total number of days on which such newspaper was published in that year.

(3C) For the removal of doubts, it is hereby declared that nothing contained in sub-section (3A) shall apply relation to expenditure in the nature of entertainment expenditure incurred by an assessee in connection with advertisement, publicity or sales promotion and such expenditure shall be governed by the provision of sub-section (2A)⁴.

(3D) In a case where an assessee has set up an industrial undertaking for the manufacture or production of any articles nothing in sub-section (3A) shall apply in respect of any expenditure on advertisement, publicity or sales promotion incurred by the assessee, for the purposes of the business of such undertaking in the previous year in which such undertaking begins to manufacture or produce such articles and each of the two previous years immediately succeeding that previous year.⁵

9. Amendment of section 52. In section 52 of the Income-tax Act, in sub-section (2), in clause (b) of the proviso, the words "and the adequacy of the full value of the consideration so determined or approved is not questioned by the assessee" shall be omitted and shall be deemed always to have been omitted.

10. Amendment of section 54. Section 54 of the Income-tax Act, shall be renumbered and shall be deemed to have been renumbered with effect from the 1st day of April, 1974, as sub-section (1) thereof and,—

(a) in sub-section (1) as so renumbered,—

(i) after the words "for the purposes of his own or the parent's own residence", the brackets and words "(here after in this section referred to as the original asset)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974 ;

(ii) in clause (i), for the words "is greater than the cost of the new asset", the words and brackets "is greater than the cost of the house property so purchased or constructed (hereafter in this section referred to as the new asset)" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1974 ;

(b) after sub-section (1) as so renumbered, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974, namely :—

'(2) Where the transfer of the original asset is by way of compulsory acquisition under any law and the compensation awarded for such acquisition is enhanced by any court, tribunal or other authority, then

(a) so much of the capital gain, computed under section 48 by taking the compensation as so enhanced as the full value of the consideration received or accruing as a result of such transfer, as is not excluded under sub-section (1) from being charged to tax under section 45, or

(b) the capital gain attributable to the enhancement of the compensation, whichever is less (that which is less being hereafter in this sub-section referred to as the unadjusted capital gain), shall, if the assessee has within a period of one year before or after the date of receipt of the additional compensation purchased, or has within a period of two years after that date constructed, a house property for the purposes of his own residence (hereafter in this sub-section referred to as the relevant asset), be dealt with in the following manner, that is to say, —

- (i) If the amount of the unadjusted capital gain is greater than the cost of the relevant asset, the difference between the amount of the unadjusted capital gain and the cost of the relevant asset shall be charged under section 45 as the income of the previous year in which the transfer took place; and for the purpose of computing in respect of the relevant asset any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be nil; or
- (ii) If the amount of the unadjusted capital gain is equal to or less than the cost of the relevant asset, the unadjusted capital gain shall not be charged under section 45; and for the purpose of computing in respect of the relevant asset any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be reduced by the amount of the unadjusted capital gain.

*Explanation :--*For the purposes of this sub-section, sub-section (2) of section 54B and sub-section (2) of section 54D, --

(1) "additional compensation", in relation to the transfer of any capital asset by way of compulsory acquisition under any law, means the difference between the compensation for the acquisition of such asset as enhanced by any court, tribunal or other authority and the compensation which would have been payable if such enhancement had not been made.

(2) the capital gain attributable to the enhancement by any court, tribunal or other authority of the compensation for the compulsory acquisition of any capital asset shall be---

(a) where the computation of the capital gain under section 48 by taking the compensation which would have been payable if such enhancement had not been made as the full value of the consideration received or accruing as a result of the transfer results in a loss or does not result in any profits or gains chargeable to income-tax under the head "Capital gains", the capital gain computed under section 48 by taking the compensation as so enhanced as the full value of the consideration received or accruing as a result of the transfer; and

(b) in any other case, the difference between---

(i) the capital gain computed under section 48 by taking the compensation as so enhanced as the full value of the consideration so received or accruing, and

(ii) the capital gain computed under section 48 by taking the compensation which would have been payable if such enhancement had not been made as the full value of the consideration so received or accruing.'

11. Amendment of section 54B. Section 54B of the Income-tax Act shall be renumbered and shall be deemed to have been renumbered with effect from the 1st day of April, 1974, as sub-section (1) thereof and,---

(a) in sub-section (1) as so renumbered, after the words "used by the assessee or a parent of his for agricultural purposes", the brackets and words "(hereinafter referred to as the original asset)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974;

(b) after sub-section (1) as so renumbered, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974, namely :---

"(2) Where the transfer of the original asset is by way of compulsory acquisition under any law and the compensation awarded for such acquisition is enhanced by any court, tribunal or other authority, then,

(a) so much of the capital gain, computed under section 48 by taking the compensation as so enhanced as the full value of the consideration received or accruing as a result of such transfer, as is not excluded under sub-section (1) from being charged to tax under section 45, or

(b) the capital gain attributable to the enhancement of the compensation,

whichever is less (that which is less being hereinafter referred to as the unadjusted capital gain), shall if the assessee has within a period of two years after the date of receipt of the additional compensation purchased any land for being used for agricultural purposes (hereinafter referred to as the relevant asset), be dealt with in the following manner, that is to say,---

(i) If the amount of the unadjusted capital gain is greater than the cost of the relevant asset, the difference between the amount of the unadjusted capital gain and the cost of the

relevant asset shall be charged under section 45 as the income of the previous year in which the transfer took place; and for the purpose of computing in respect of the relevant asset any capital gain arising from its transfer within a period of three years of its purchase, the cost shall be nil; or

- (ii) if the amount of the unadjusted capital gain is equal to or less than the cost of the relevant asset, the unadjusted capital gain shall not be charged under section 45; and for the purpose of computing in respect of the relevant asset any capital gain arising from its transfer within a period of three years of its purchase, the cost shall be reduced by the amount of the unadjusted capital gain."

12. Amendment of section 54D. Section 54D of the Income-tax Act shall be renumbered and shall be deemed to have been renumbered with effect from the 1st day of April, 1974, as sub-section (1) thereof and,—

- (a) in sub-section (1) as so renumbered, after the words "for the purposes of the business of the said undertaking", the brackets and words "hereafter in this section referred to as the original asset)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974;

- (b) after sub-section (1) as so renumbered, the following sub-section shall be inserted and deemed to have been inserted with effect, from the 1st day of April, 1974, namely :-

"(2) Where the compensation awarded for the compulsory acquisition of the original asset is enhanced by any court, tribunal or other authority, then,

- (a) so much of the capital gain computed under section 48 by taking the compensation as so enhanced as the full value of the consideration received or accruing as a result of such transfer, as is not excluded under sub-section (1) from being charged to tax under section 45, or

- (b) the capital gain attributable to the enhancement of the compensation,

whichever is less (that which is less being hereafter in this sub-section referred to as the unadjusted capital gain), shall, if the assessee has within a period of three years after the date of receipt of the additional compensation purchased any land or building or any right in any land or building or constructed any building for the purposes of shifting or re-establishing the undertaking referred to in sub-section (1) or setting up another industrial undertaking (such land, building or right being hereafter in this sub-section referred to as the relevant asset), be dealt with in the following manner, that is to say, —

- (i) if the amount of the unadjusted capital gain is greater than the cost of the relevant asset, the difference between the amount of the unadjusted capital gain and the cost of the relevant asset shall be charged under section 45 as the income of the previous year in which the transfer took place; and for the purpose of computing in respect of the relevant asset any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be nil; or
- (ii) if the amount of the unadjusted capital gain is equal to or less than the cost of the relevant asset, the unadjusted capital gain shall not be charged under section 45; and for the purpose of computing in respect of the relevant asset any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be reduced by the amount of the unadjusted capital gain."

13. Amendment of section 54E. In section 54E [as directed to be inserted by section 13 of the Finance (No. 2) Act, 1977] of the Income-tax Act, —

- (a) in sub-section (1), —

- (i) in *Explanation 1*, —

- (1) in the opening portion, after the words "For the purposes of this sub-section", the words, brackets and figure "and sub-section (3)" shall be inserted;

- (2) in clause (v), the words, figures and letters "where the investment in such shares is made before the 1st day of March, 1978" shall be inserted at the end;

- (3) after clause (v), the following clause shall be inserted, namely:—

"(va) equity shares forming part of any eligible issue of capital, where the investment in such shares is made after the 28th day of February, 1978;"

- (ii) *Explanation 2.* shall be renumbered as *Explanation 4* and before the *Explanation* as so renumbered, the following *Explanations* shall be inserted namely :—

'*Explanation 2.*—"Eligible issue of capital" shall have the meaning assigned to it in sub-section (3) of section 80CC.

Explanation (3).—An assessee shall not be deemed to have invested the full value of the consideration or any part thereof in any equity shares referred to in clause (va) of *Explanation 1.* unless the assessee has subscribed to or purchased the shares in the manner specified in sub-section (4) of section 80CC.;

- ' (b) after sub-section (1), the following sub-sections shall be inserted, namely :—

"(1A) Where the assessee deposits after the 27th day of April, 1978 the full value of the consideration or any part thereof received or accruing as a result of the transfer of the original asset in any new asset, being the deposit referred to in clause (vi) of *Explanation 1* below sub-section (1), the cost of such new asset shall not be taken into account for the purposes of that sub-section unless the following conditions are fulfilled, namely :—

- (a) the assessee furnishes, alongwith the deposit, a declaration in writing, to the bank of the co-operative society referred to in the said clause (vi) with which such deposit is made to the effect that the assessee will not take any loan or advance on the security of such deposit during a period of three years from the date on which the deposit is made :
- (b) the assessee furnished, alongwith the return of income for the assessment year relevant to the previous year in which the transfer of the original asset was effected or within such further time as may be allowed by the Income-tax Officer a copy of the declaration referred to in clause (a) duly attested by an Officer not below the rank of sub-agent, agent or manager of such bank or an officer of corresponding bank of such co-operative society,

(1B) Where on the fulfilment of the conditions specified in sub-section (1A), the cost of the new asset referred to in that sub-section is taken into account for the purposes of sub-section (1), the assessee shall, within a period of ninety days from the date of such deposit, furnish to the Income-tax Officer a certificate from the officer referred to in clause (b) of sub-section (1A) to the effect that the assessee has not taken any loan or advance on the security of such deposit during the said period of three years.";

- (c) in sub-section (2), the following *Explanation* shall be inserted at the end, namely :—

'*Explanation.*—Where the assessee deposits after the 27th day of April, 1978 the full value of the consideration or any part thereof received or accruing as a result of the transfer of the original asset in any new asset, being a deposit referred to in clause (vi) of *Explanation 1* below sub-section (i), and such assessee takes any loan or advance against the security of such deposit, he shall be deemed to have converted (otherwise than by transfer) such deposit into money on the date of which such loan or advance is taken";

- (b) after sub-section (2), the following sub-sections shall be inserted, namely —,

'(3) Where the transfer of the original asset is by way of compulsory acquisition under any law or where the full value of the consideration for the transfer of the capital asset is determined or approved by the Central Government or the Reserve Bank of India, and the compensation awarded for such acquisition or, as the case may be, the full value of the consideration so determined or approved is enhanced by any court, tribunal or other authority, than, so much of the capital gain, computed under section 48 by taking the compensation or consideration as so enhanced as the full value of the consideration, received or accruing as a result of such transfer, as is attributable to the enhancement of the compensation or consideration (hereafter in this sub-section referred to as the unadjusted capital gain) shall if the assessee has, within a period of six months after the date of receipt of the additional compensation or, as the case may be, the additional consideration, invested or deposited the whole or any part of such additional compensation or consideration in any specified asset (hereafter in this section referred to as the relevant asset), be dealt with in the following manner, that is to say,—

- (a) if the cost of the relevant asset is not less than the additional compensation, or consideration, the whole of the unadjusted capital gain shall not be charged under section 45;

- (b) if the cost of the relevant asset is less than the additional compensation or consideration, so much of the unadjusted capital gain as bears to the whole of the unadjusted capital gain the same proportion as the cost of acquisition of the relevant asset bears to the additional compensation or consideration shall not be charged under section 45.

Explanation—For the purposes of this sub-section,—

- (i) "additional compensation" shall have the meaning assigned to it in clause (1) of the *Explanation* to sub-section (2) of section 54,
- (ii) "additional consideration", in relation to the transfer of any capital asset the consideration for which was determined or approved by the Central Government or the Reserve Bank of India, means the difference between the amount of consideration for such transfer as enhanced by any court, tribunal or other authority and the amount, of consideration which would have been payable if such enhancement had not been made;
- (iii) "cost", in relation to any relevant asset, being a deposit referred to in clause (vi) of *Explanation 1* below sub-section (1), means the amount of such deposit;
- (iv) the capital gain attributable to the enhancement by any court, tribunal or other authority of the compensation for the compulsory acquisition of any capital asset or of the consideration for the transfer of any capital asset as determined or approved by the Central Government or the Reserve Bank of India shall be deemed to be so much of the capital gain arising from the transfer of the capital asset as bears to the whole of the capital gain as computed under section 48 by taking the compensation or consideration as so enhanced as the full value of the consideration received or accruing as a result of the transfer, the same proportion as the amount of additional compensation or consideration bears to the compensation or consideration as so enhanced.
- (4) Where the relevant asset is transferred, or converted (otherwise than by transfer) into money, within a period of three years from the date of its acquisition, the amount of capital gain arising from the transfer of the original asset not charged under section 45 on the basis of the cost of such relevant asset as provided in clause (a) or, as the case may be, clause (b), of sub-section (3) shall be deemed to be income chargeable under the head "Capital gains" relating to capital assets other than short-term capital assets of the previous year in which the relevant asset is transferred or converted (otherwise than by transfer) into money.

Explanation :—Where the assessee deposits after the 27th day of April, 1978, the whole or any part of the additional compensation or, as the case may be, the additional consideration referred to in sub-section (3) in any relevant asset, being a deposit referred to in clause (vi) of *Explanation 1* below sub-section (1), and such assessee takes any loan or advance on the security of such deposit, he shall be deemed to have converted (otherwise than by transfer) such deposit into money on the date on which such loan or advance is taken.

- (5) Where the assessee deposits the whole or any part of the additional compensation or, as the case may be the additional consideration referred to in sub-section (3) in any relevant asset, being a deposit referred to in clause (vi) of *Explanation 1* below sub-section (1), the provisions of sub-section (1A) and (1B) shall apply in relation to such deposit as they apply in relation to the deposit referred to in the said sub-sections."
- (6) Where the cost of the equity shares referred to in clause (va) of *Explanation 1* below sub-section (1) is taken into account for the purposes of clause (b) of sub-section (1) or clause (a) or clause (b) of sub-section (3), a deduction with reference to such cost shall not be allowed under section 80CC.'

14. Amendment of section 72-A. In section 72A [as directed to be inserted by section 15 of the Finance (No. 2) Act, 1977] of the Income-tax Act, after sub-section (2) and before the *Explanation*, the following sub-section shall be inserted namely:—

"(3) Where a company owning an industrial undertaking or a ship proposes to amalgamate with any other company and such other company submits the proposed scheme of amalgamation to the specified authority and that authority is satisfied, after examining the scheme and taking into account all relevant facts, that the conditions referred to in sub-section (1) would

be fulfilled if such amalgamation is effected in accordance with such scheme or, as the case may be, in accordance with such scheme as modified in such manner as that authority may specify, it shall intimate such other company that, after the amalgamation is effected in accordance with such scheme or, as the case may be, such scheme as so modified, it would make (unless there is any material change in the relevant facts) a recommendation to the Central Government under sub-section (1)."

15. Amendment of section 80A. In section 80A of the Income-tax Act, sub-section (4) shall be omitted with effect from the 1st day of April, 1979.

16. Amendment of section 80C. In section 80C of the Income-tax Act, with effect from the 1st day of April, 1979,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount calculated, with reference to the aggregate of the sums specified in sub-section (2), at the following rates, namely:—

(a) where such aggregate does not exceed Rs. 5,000	The whole of such aggregate :
(b) where such aggregate exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 5,000 plus 50 per cent. of the amount by which such aggregate exceeds Rs. 5,000;
(c) where such aggregate exceeds Rs. 10,000	Rs. 7,500 plus 40 per cent. of the amount by which such aggregate exceeds Rs. 10,000."

(b) in sub-section (4), in clauses (ii) and (iv), for the words "twenty thousand rupees", the words "thirty thousand rupees" shall be substituted.

17. Insertion of new section 80CC. In the Income-tax Act, after section 80C, the following section shall be inserted, namely:—

'80CC. (1) Where an assessee, being—

- (a) an individual, or
- (b) a Hindu undivided family, or
- (c) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu.

has acquired in the previous year (being a previous year relevant to the assessment year commencing on the 1st day of April, 1979 or any subsequent assessment year), out of his income chargeable to tax, equity shares forming part of any eligible issue of capital, he shall, in accordance with and subject to the provisions of this section, be allowed a deduction in the computation of his total income of an amount equal to fifty per cent. of the cost of such shares to him.

Explanation.—"Where in any previous year the assessee has acquired any shares referred to in this sub-section and has, within a period of six months from the end of that previous year paid the whole or a part of the amount, if any, remaining unpaid on such shares, the amount so paid shall be deemed to have been paid by the assessee towards the cost of such shares in that previous year."

(2) Where the aggregate cost to the assessee of the shares referred to in sub-section (1) which are purchased by him in the previous year exceeds ten thousand rupees, the deduction under that sub-section shall be allowed only with reference to such of those shares (being shares the aggregate cost whereof to the assessee does not exceed ten thousand rupees) as are specified by him in this behalf.

(3) For the purposes of this section, "eligible issue of capital" means an issue of equity shares which satisfies the following conditions, namely:—

- (a) the issue is made by a public company formed and registered in India with the main object of carrying on the business of

- (i) construction, manufacture or production of any article or thing, not being an article or thing specified in the list in the Eleventh Schedule; or
- (ii) providing long-term finance for construction or purchase of houses in India for residential purposes:

Provided that in the case of a public company formed and registered in India with the main object of carrying on the business referred to in sub-clause (ii), such company is approved by the Central Government for the purposes of this section:"

- (b) the issue is an issue of capital made by the company for the first time;
- (c) the shares forming part of the issue are offered for subscription to the public;
- (d) such other conditions as may be prescribed:

Provided that in the case of a company which had originally been incorporated as a private company but has become a public company under the provisions of the Companies Act, 1956, an issue of equity shares made by it for the first time after it has become a public company shall not be regarded as an eligible issue of capital, if —

- (i) such company had declared, distributed or paid any dividend when it was a private company; or
- (ii) any of the shares forming part of such issue is offered for subscription at a premium.

Explanation 1. — If any question arises as to whether any issue of equity shares would constitute an eligible issue of capital for the purposes of this section, the question shall be referred to the Central Government whose decision thereon shall be final.

Explanation 2.—In this sub-section and sub-section (4), "public company" shall have the meaning assigned to it in section 3 of the Companies Act 1956.

- (4) The deduction under sub-section (1) shall not be allowed unless the assessee has -
 - (i) subscribed to the shares in pursuance of an offer for subscription to the public made by the public company or in pursuance of reservation or an option in his favor by reason of his being a promoter of the company; or
 - (ii) purchased the shares from a person who is specified as an underwriter in respect of the issue of such shares in pursuance of clause 11 of Part I of Schedule II to the Companies Act, 1956 and who has acquired such shares by virtue of his obligation as such underwriter.
- (5) If any equity shares, with reference to the cost of which a deduction is allowed under sub-section (1), are sold or otherwise transferred by the assessee to any person at any time within a period of five years from the date of their acquisition an amount equal to fifty per cent. of the cost to the assessee of the shares so sold or otherwise transferred shall be deemed to be the income of the assessee of the previous year in which the shares are so sold or transferred and shall be chargeable to tax accordingly.

Explanation .— A person shall be treated as having acquired any shares on the date on which his name is entered in relation to those shares in the register of members of the company.

- (6) Where a deduction is claimed and allowed under sub-section (1) with reference to the cost of any equity shares, the cost of such shares shall not be taken into account for the purposes of section 54E.

18. Amendment of section 80P. In section 80P of the Income-tax Act, in sub-section (2), for clause (b) the following clause shall be substituted with effect from the 1st day of April, 1979, namely:—

"(b) in the case of a co-operative society, being a primary society engaged in supplying milk raised by its members to —

- (i) a federal milk co-operative society; or
- (ii) the Government or a local authority; or
- (iii) a Government company as defined in section 617 of the Companies Act, 1956 or a corporation established by or under a Central, State or Provincial Act (being a company or corporation engaged in supplying milk to the public),

the whole of the amount of profits and gains of such business:".

Amendment of section 155. In section 155 of the Income-tax Act, —

(a) after sub-section (7), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974, namely:—

“(7A) Where, in the assessment for any year, the capital gain arising from the transfer of a capital asset, being a transfer by way of compulsory acquisition under any law, or a transfer the consideration for which was determined or approved by the Central Government or the Reserve Bank of India, is computed under section 48 and the compensation for such acquisition or the consideration for such acquisition or the consideration for such transfer is enhanced or further enhanced by any court, tribunal or other authority, the computation or, as the case may be, computations made earlier shall be deemed to have been wrongly made and the Income-tax Officer shall, notwithstanding anything contained in this Act, recompute in accordance with section 48 the capital gain arising from such transfer by taking the compensation or the consideration as enhanced or further enhanced, as the case may be, to be the full value of the consideration received or accruing as a result of such transfer and shall make the necessary amendment; and provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the additional compensation or consideration was received by the assessee.”;

(b) in sub-section (8), for the words and figures “under the provisions of section 54”, the words, brackets and figures “under the provisions of sub-section (1) of section 54” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1974;

(c) after sub-section (8), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April 1974, namely:—

“(8A) Where in the assessment for any year, a capital gain arising from the transfer by way of compulsory acquisition under any law of any such capital asset as is referred to in section 54 is charged to tax and if the compensation for such acquisition is enhanced or further enhanced, as the case may be, by any court, tribunal or other authority, and the assessee purchases, within a period of one year after the date of receipt of the additional compensation or constructs, within a period of two years after that date, a house property for the purposes of his own residence, the Income-tax Officer shall amend the order of assessment so as to exclude the amount of capital gain not chargeable to tax under the provisions of sub-section (2) of section 54; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the additional compensation was received by the assessee.”;

(d) in sub-section (9), for the words, figures and letter “under the provisions of section 54B”, the words, brackets, figures and letter “under the provisions of sub-section (1) of section 54B” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1974;

(e) after sub-section (9), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1974, namely:—

“(9A) Where in the assessment for any year, a capital gain arising from the transfer by way of compulsory acquisition under any law of any such capital asset as is referred to in section 54B is charged to tax and if the compensation for such acquisition is enhanced or further enhanced, as the case may be, by any court, tribunal or other authority, and within a period of two years after the receipt of the additional compensation, the assessee purchases any land for being used for agricultural purposes, the Income-tax Officer shall amend the order of assessment so as to exclude the amount of capital gain not chargeable to tax under the provisions of sub-section (2) of section 54B; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the additional compensation was received by the assessee.”.

(f) in sub-section (10), for the words, figures and letter “under the provisions of section 54D”, the words, brackets, figures and letter “under the provisions of sub-section (1) of section 54D” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1974;

- (g) sub-section (10) shall be renumbered and shall be deemed to have been renumbered with effect from the 1st day of April, 1974 as clause (a) of that sub-section and after clause (a) as so renumbered the following clause shall be inserted and shall be deemed to have been inserted with effect from that date, namely:—

“(b) Where in the assessment for any year, a capital gain arising from the transfer by way of compulsory acquisition of any such capital asset as is referred to in section 54D is charged to tax and if the compensation for such acquisition is enhanced or further enhanced, as the case may be, by any court, tribunal or other authority, and within a period of three years after the date of receipt of the additional compensation, the assessee purchases any land or building or any right in any land or building or constructs any building for the purpose of shifting or re-establishing the undertaking referred to in sub-section (1) of that section or setting up any other industrial undertaking, the Income-tax Officer shall amend the order of assessment so as to exclude the amount of capital gain not chargeable to tax under the provisions of sub-section (2) of section 54D; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the additional compensation was received by the assessee.”;

- (h) in sub-section (10A), [as directed to be inserted by section 23 of the Finance (No. 2) Act, 1977] for the words, figures and letter “under the provisions of section 54E”, the words, brackets, figures and letter “under the provisions of sub-section (1) of section 54E” shall be substituted;

- (i) after the said sub-section (10A), the following sub-section shall be inserted, namely:—

“(10B) Where in the assessment for any year, a capital gain arising from the transfer, being a transfer by way of compulsory acquisition or a transfer the consideration for which was determined or approved by the Central Government or the Reserve Bank of India, of any capital asset, not being a short-term capital asset, is charged to tax and if the compensation or, as the case may be, consideration for such transfer is enhanced or further enhanced, as the case may be, by any court, tribunal or other authority, and within a period of six months after the receipt of the additional compensation or consideration; the assessee invests or deposits the whole or any part of the additional compensation or consideration in any specified asset referred to in *Explanation 1* of sub-section (1) of section 54E, the Income-tax Officer shall amend the order of assessment so as to exclude the amount of capital gain not chargeable to tax under the provisions of sub-section (3) of section 54E; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the additional compensation or consideration was received by the assessee.”.

- (j) the following *Explanation* shall be inserted at the end and shall be deemed to have been so inserted with effect from the 1st day of April, 1974, namely:—

Explanation . — For the purposes of this section —

- (a) “additional compensation” shall have the meaning assigned to it in clause (1) of the *Explanation* to sub-section (2) of section 54;
- (b) “additional consideration”, in relation to the transfer of any capital asset the consideration for which was determined or approved by the Central Government or the Reserve Bank of India, means the difference between the amount of consideration for such transfer as enhanced by any court, tribunal or other authority and the amount of consideration which would have been payable if such enhancement had not been made.’

20. **Amendment of section 193.** In section 193 of the Income-tax Act, in the proviso, after clause (ia), the following clause shall be inserted, namely:—

“(ib) any interest payable on National Development Bonds; or”.

21. **Insertion of new section 194BB.** After section 194B of the Income-tax Act, the following section shall be inserted, namely:—

“194BB. Any person, being a bookmaker or a person to whom a licence has been granted by the Government under any law for the time being in force for horse racing in any race course or for arranging for wagering or betting in any race course who is responsible for paying to any person any income by way of winnings from any horse race in an amount exceeding two thousand five hundred rupees shall at the time of payment thereof, deduct income-tax thereon at the rates in force:

Provided that no deduction shall be made under this section from any payment made before the 1st day of June, 1978."

22. Amendment of section 208. In section 208 of the Income-tax Act, in sub-section (1), in clause (b), for the words, brackets and figures "sub-section (3) of section 212", the word, figures and letter "section 209A" shall be substituted with effect from the 1st day of June, 1978.

23. Amendment of section 209. In section 209 of the Income-tax Act, with effect from the 1st day of June 1978, —

(a) in sub-section (1), for clause (c) the following clause shall be substituted, namely :—

"(c) in cases where an estimate (including a revised estimate) is sent by the assessee under section 209A or section 212, the total income so estimated shall, for the purposes of calculation of tax under this section, be substituted for the total income referred to in clause (a);";

(b) in sub-section (2),—

(i) in clause (a), in the opening portion, after the words "in cases", the words, brackets, figures and letter "where the assessee sends a statement under sub-section (1) of section 209A or" shall be inserted ;

(ii) in clause (b), for the words, brackets, figures and letter "in cases where an estimate is sent by the assessee under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) of section 212"; the words, brackets, figures and letter "in cases where an estimate (including a revised estimate) is sent by the assessee under section 209A or section 212" shall be substituted.

24. Insertion of new section 209A. In the Income-tax Act, after section 209, the following section shall be inserted with effect from the 1st day of June, 1978, namely :—

Computation and payment of advance tax by assessee 209A.

(1) Every person shall, in each financial year, before the date on which the first instalment or where he has not previously been assessed by way of regular assessment under this Act, before the date on which the last instalment of advance tax is due in his case under sub-section (1) of section 211, if his current income is likely to exceed the amount specified in sub-section (2) of section 208, send to the Income-tax Officer—

(a) where he has been previously assessed by way of regular assessment under this Act, a statement of advance tax payable by him computed in the manner laid down in clause (a) or, as the case may be, sub-clause (i) of clause (d) of sub-section (1) of section 209, or

(b) where he has not previously been assessed by way of regular assessment under this Act, an estimate of—

(i) the current income, and

(ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209. and shall pay such amount of advance tax as accords with the statement or, as the case may be, estimate in equal instalments on the dates applicable in his case under section 211.

(2) Where an assessee who is required to send a statement under clause (a) of sub-section (1) estimates at any time before the date on which the first instalment of advance tax is due in his case under sub-section (1) of section 211 that, by reason of his current income being likely to be less than the income on which advance tax is payable by him under sub-section (1) or for any other reason, the amount of advance tax computed in the manner laid down in section 209 on the current income would be less than the amount of advance tax payable by him under sub-section (1), he may send to the Income-tax Officer, in lieu of such statement, an estimate of—

(i) the current income, and

(ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209.

and shall pay such amount of advance tax as accords with his estimate in equal instalments on the dates applicable in his case under section 211.

- (3) Where an assessee who has sent a statement under clause (a) of sub-section (1) estimates at any time before the last instalment of advance tax is due in his case that, by reason of his current income being likely to be less than the income on which advance tax is payable by him under sub-section (1) or for any other reason, the amount of advance tax computed in the manner laid down in section 209 on the current income would be less than the amount of advance tax payable by him under sub-section (1) he may, at his option, send to the Income-tax Officer an estimate of—

- (i) the current income, and
- (ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209.

and shall pay such amount of advance tax as accords with his estimate in equal instalments on such of the dates applicable in his case under section 211 as have not expired, or in one sum if only the last of such dates has not expired.

- (4) In the case of any assessee who is liable to pay advance tax under sub-section (1) or sub-section (2) or, as the case may be, sub-section (3), if, by reason of the current income being likely to be greater than the income on which the advance tax so payable by him has been computed or for any other reason, the amount of advance tax computed in the manner laid down in section 209 on the current income (which shall be estimated by the assessee) exceeds the amount of advance tax so payable by him by more than 33-1/3 per cent. of the later amount, he shall, at any time before the date on which the last instalment of advance tax is payable by him, send to the Income-tax Officer an estimate of—

- (i) the current income, and
- (ii) the advance tax payable by him on the current income calculated in the manner laid down in section 209,

and shall pay such amount of advance tax as accords with his estimate on such of the dates applicable in his case under section 211 as have not expired, by instalments which may be revised according to sub-section (5) :

Provided that in a case where the Commissioner is satisfied that, having regard to the nature of the business carried on by the assessee and the date of expiry of the previous year in respect of such business, it will be difficult for the assessee to furnish the estimate required to be furnished by him in accordance with the provisions of this sub-section before the date on which the last instalment of advance tax is due in his case, he may, if the assessee pays the advance tax which he is liable to pay under sub-section (1) or sub-section (2) or, as the case may be, sub-section (3) before such date, extend the date for furnishing such estimate up to a period of thirty days immediately following the last date of the previous year in respect of that business and, where the date is so extended, the assessee shall pay, on or before the date as so extended, the amount by which the advance tax already paid by him falls short of the advance tax payable in accordance with his estimate.

- (5) The assessee may send a revised estimate of the advance tax payable by him before any one of the dates specified in section 211 and adjust any excess or deficiency in respect of any instalment already paid in a subsequent instalment or in subsequent instalments.
- (6) Every statement or estimate under this section shall be sent in the prescribed form and verified in the prescribed manner.

Explanation — For the purposes of this section and section 212, "current income", in relation to the advance tax payable by an assessee during any financial year, means the total income of the assessee [exclusive of capital gains and income referred to in sub-clause (ix) of clause (24) of section 2, if any] of the period which would be the previous year for the assessment year immediately following that financial year.

- 25. Amendment of section 211.** In section 211 of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 1978,—

- (a) in the opening portion, for the words and figures "Subject to the provisions of this section and of section 212", the words, figures and letter "Subject to the provisions of this section and of sections 209A and 212" shall be substituted;

- (b) for the *Explanation*, the following *Explanation* shall be substituted, namely :—

'Explanation,— In this sub-section, "total income" means,—

- (a) in a case where the advance tax is paid by the assessee in accordance with the statement sent by him under sub-section (1) of section 209A or in accordance with an order of the Income-tax Officer under section 210, the total income with reference to which the advance tax payable has been calculated in such statement or order;
- (b) in a case where the advance tax is paid in accordance with an estimate (including a revised estimate) made by the assessee under section 209A or section 212, the total income with reference to which the advance tax is so estimated,

as reduced, in either case, by the amount of capital gain and income referred to in sub-clause (ix) of clause (24) of section 2, if any, included therein,'.

26. Amendment of section 212. In section 212 of the Income-tax Act, with effect from the 1st day of June, 1978,—

- (a) in sub-section (1), for the words, brackets and figures "by reason of his total income [exclusive of capital gains and income referred to in sub-clause (ix) of clause (24) of section 2, if any] of the period which would be the previous year for the immediately following assessment year (such total income being, hereafter in this section, referred to as current 'income')", the words "by reason of his current income" shall be substituted;
- (b) sub-section (3) shall be omitted.

27. Amendment of section 215. In section 215 of the Income-tax Act, in sub-section (1), for the words and figures "advance tax under section 212 on the basis of his own estimate", the words, figures, letter and brackets "advance tax under section 209A or section 212 on the basis of his own estimate (including revised estimate)" shall be substituted with effect from the 1st day of June, 1978.

28. Amendment of section 216. In section 216 of the Income-tax Act, in clause (a), for the words, brackets, figures and letter "under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) of section 212", the words, figures and letter "under section 209A or section 212" shall be substituted with effect from the 1st day of June, 1978,—

29. Amendment of section 217. In section 217 of the Income-tax Act, with effect from the 1st day of June, 1978,—

(a) in sub-section (1),—

- (i) for the portion beginning with the words "the Income-tax Officer finds that any such person" and ending with the words "twelve per cent, per annum", the following shall be substituted, namely :—

"the Income-tax Officer finds—

- (a) that any such person as is referred to in clause (a) of sub-section (1) of section 209A has not sent the statement referred to in that clause or the estimate in lieu of such statement referred to in sub-section (2) of that section; or

- (b) that any such person as is referred to in clause (b) of sub-section (1) of section 209A has not sent the estimate referred to in that clause,

simple interest at the rate of twelve per cent. per annum";

- (ii) for the words "the said sub-section", the words, brackets and figures "the said sub-section (1) or sub-section (2)" shall be substituted,

(b) in sub-section (1A),—

- (i) after the words "the Income-tax Officer finds that", the words, brackets, figures and letter "any person who is required to send an estimate under sub-section (4) of section 209A or" shall be inserted;

- (ii) for the words "the said sub-section", the words, brackets, figures and letter "the said sub-section (4) or, as the case may be, sub-section (3A)" shall be substituted.

30. Substitution of new section for section 218. For section 218 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 1978, namely :—

When assessee deemed to be in default.

"218.(1) If any assessee has sent,—

- (a) under sub-section (1) of section 209A, a statement, or
 - (b) under section 209A or section 212, an estimate or a revised estimate,
- or the advance tax payable by him, but does not pay any instalment in accordance therewith on the date or dates specified in section 211, he shall be deemed to be an assessee in default in respect of such instalment or instalments.
- (2) If any assessee does not pay on the specified date any instalment of advance tax that he is required to pay under section 210 and does not, before the date on which any such instalment as is not paid becomes due, send under sub-section (1) or sub-section (2) of section 212 an estimate or a revised estimate of the advance tax payable by him, he shall be deemed to be an assessee in default in respect of such instalment or instalments.
 - (3) Notwithstanding anything contained in sub-section (1) or sub-section (2), an assessee shall not be deemed to be in default in respect of any amount of which the payment is deferred under section 213 until after the date communicated by him to the Income-tax Officer under that section."

31. Amendment of section 273. in the Income-tax Act, with effect from the 1st day of June, 1978, section 273 shall be renumbered as sub-section (2) thereof and—

- (1) before sub-section (2) as so renumbered, the following sub-section shall be inserted, namely :—

"(1) If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment for any assessment year, is satisfied that any assessee—

- (a) has furnished under clause (a) of sub-section (1) of section 209A a statement of the advance tax payable by him which he knew or had reason to believe to be untrue, or
- (b) has without reasonable cause failed to furnish a statement of the advance tax payable by him in accordance with the provisions of clause (a) of sub-section (1) of section 209A.

he may direct that such person shall, in addition to the amount of tax, if any, payable by him, pay by way of penalty a sum—

- (i) which, in the case referred to in clause (a), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which the tax actually paid during the financial year immediately preceeding the assessment year under the provisions of Chapter XVII-C falls short of—

- (1) seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215, or
- (2) the amount which would have been payable by way of advance tax if the assessee had furnished a correct and complete statement in accordance with the provisions of clause (a) of sub-section (1) of section 209A.

whichever is less;

- (ii) which, in the case referred to in clause (b), shall not be less than ten per cent. but shall not exceed one and a half times of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215."

- (2) in sub-section (2) as so renumbered,—

- (a) for clause (a), the following clause shall be substituted, namely :—

"(a) has furnished under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5) of section 209A, or under sub-section (1) or sub-section (2) of section 212, an estimate of the advance tax payable by him which he knew or had reason to believe to be untrue, or";

- (b) in clause (aa), after the words "has furnished" the words, brackets, figures and letter "under sub-section (4) of section 209A or" shall be inserted;

- (c) in clause (b), for the words, brackets and figures "sub-section (3) of section 212", the words brackets, letters and figures "clause (b) of sub-section (1) of section 209A" shall be substituted;

- (d) in clause (c), for the words, brackets figures and letter "sub-section (3A) of section 212", the words, brackets, figures and letters "sub-section (4) of section 209A or sub-section (3A) of section 212" shall be substituted;

- (e) for sub-clause (2) of clause (i), the following sub-clause shall be substituted, namely—

"(2) Where a statement under clause (a) of sub-section (1) of section 209A was furnished by the assessee or where a notice under section 210 was issued to the assessee, the amount payable under such statement or, as the case may be, such notice,";

(f) for clause (iii), the following clause shall be substituted, namely :—

"(iii) which, in the case referred to in clause (c), shall not be less than ten per cent. but shall not exceed one and a half times the amount by which—

(a) where the assessee has sent a statement under clause (a), or an estimate under clause (b), of sub-section (1) of section 209A, or an estimate in lieu of a statement under sub-section (2) of that section the tax payable in accordance with such statement or estimate; or

(b) where the assessee was required to pay advance tax in accordance with the notice issued to him under section 210, the tax payable under such notice,

falls short of seventy-five per cent. of the assessed tax as defined in sub-section (5) of section 215.";

(g) in the *Explanation*, for the words, brackets, figures and letter "proviso to sub-section (3A) of section 212", the words, brackets, figures and letters "proviso to sub-section (4) of section 209A or, as the case may be, proviso to sub-section (3A) of section 212" shall be substituted,

Consequential amendments to certain sections. The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act, namely :—

(a) in sub-clause (ii) of clause (37A) of section 2 and in clause (a) of sub-section (1) of section 197, for the figures and letter "194B", the figures and letters "194B, 194BB," shall be substituted;

(b) in section 198, 199, 200, 202, 203, 204, and 205, for the word, figures and letter "section 194B," the words, figures and letters "section 194B, section 194BB," shall be substituted.

Amendment of Act 45 of 1974. In the Interest-tax Act, 1974, in sub-section (2) of section 6, for the words, figures and letters "before the 1st day of August, 1974", the words, figures and letters "before the 1st day of August, 1974 or after the 28th day of February, 1978" shall be substituted with effect from the 1st day of April, 1979.

CHAPTER IV & CHAPTER V

CLAUSES 34 TO 39 NOT RELATED TO DIRECT TAXES HAVE NOT BEEN REPRODUCED.

Amendment of Act 38 of 1974. In the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974,—

(a) in section 4,—

(A) in sub-section (1).—

(1) in clause (i), the word "and", occurring at the end, shall be omitted;

(2) for clause (ii), the following clauses shall be substituted, namely :—

"(ii) for the assessment year commencing on the 1st day of April, 1977 and the assessment year commencing on the 1st day of April, 1978, at the rates specified in Paragraph B of the Schedule; and

(iii) for the assessment year commencing on the 1st day of April, 1979, at the rates specified in Paragraph C of the Schedule.";

(B) In sub-section (3).—

(1) in clause (a), for the portion beginning with the words "in a case where the Income-tax Officer" and ending with the words and figures "section 212 of that Act", the following shall be substituted, namely:

"In a case where a statement is sent by the person under clause (a) of sub-section (1) of section 209A of the Income-tax Act in the financial year immediately preceding that assessment year or where the Income-tax Officer has made an order under sub-section (1) or sub-section (3) of section 210 of that Act requiring the person to pay advance tax during the financial year immediately preceding that assessment year and the person has not sent an estimate under section 209A or, as the case may be, section 212 of that Act";

(2) in clause (b), for the words, brackets, figures and letter "sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) of section 212", the words, figures and letter "section 209A or section 212" shall be substituted;

(b) In section 5, in clause (a), for the word and figures "section 211", the words, figures, brackets and letter "section 211 or sub-section (4) of section 209A" shall be substituted;"

(c) in the Schedule, for the proviso, the following shall be substituted, namely :—

"Paragraph C

- | | |
|--|---|
| (i) where the current income exceeds Rs. 15,000 but does not exceed Rs. 25,000 | 4.5 per cent. of the current income; |
| (ii) where the current income exceeds Rs. 25,000 but does not exceed Rs. 35,000 | Rs. 1,125 plus 11 per cent. of the amount by which the current income exceeds Rs. 25,000; |
| (iii) where the current income exceeds Rs. 35,000 but does not exceed Rs. 70,000 | Rs. 2,225 plus 12.5 per cent. of the amount by which the current income exceeds Rs. 35,000; |
| (iv) where the current income exceeds Rs. 70,000 | Rs. 6,600 plus 15 per cent. of the amount by which the current income exceeds Rs. 70,000; |

Provided that—

- (a) in a case falling under Paragraph A or Paragraph B, where the current income exceeds Rs. 15,000 but does not exceed Rs. 15,620, the compulsory deposit shall in no case exceed the amount by which the current income exceeds Rs. 15,000;
- (b) in a case falling under Paragraph C, where the current income exceeds Rs. 15,000 but does not exceed Rs. 15,710, the compulsory deposit shall in no case exceed the amount by which the current income exceeds Rs. 15,000;
- (c) where the amount of compulsory deposit calculated in accordance with the foregoing provisions is less than Rs. 100, it shall not be necessary for the taxpayer concerned to make such deposit."

THE SCHEDULE

(See Section 2)

PART 1

Income-tax and Surcharge on Income-tax

Paragraph A

Sub-Paragraph 1

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of Income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 8,000 | Nil; |
| (2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000 | 15 per cent. of the amount by which the total income exceeds Rs. 8,000; |
| (3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,050 plus 18 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 1,950 plus 25 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 3,200 plus 30 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 4,700 plus 40 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 | Rs. 12,700 plus 50 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (8) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000 | Rs. 22,700 plus 55 per cent. of the amount by which the total income exceeds Rs. 70,000; |
| (9) where the total income exceeds Rs. 1,00,000 | Rs. 39,200 plus 60 per cent. of the amount by which the total income exceeds Rs. 1,00,000; |

Provided that for the purposes of this Sub—Paragraph,—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;
- (ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 10,540, the income-tax payable thereon shall not exceed seventy per cent. of the amount by which the total income exceeds Rs. 10,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1978 exceeds Rs. 10,000,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 8,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000 | 18 per cent. of the amount by which the total income exceeds Rs. 8,000; |
| (3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,260 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,510 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 4,010 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 6,010 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 | Rs. 16,010 <i>plus</i> 55 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (8) where the total income exceeds Rs. 70,000 | Rs. 27,010 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 70,000; |

Provided that for the purposes of this Sub-Paragraph,—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;
- (ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 10,690, the income-tax payable thereon shall not exceed seventy per cent. of the amount by which the total income exceeds Rs. 10,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of Income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 10,000 | 15 per cent. of the total income; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 | Rs. 1,500 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 20,000 | Rs. 4,000 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on Income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

*Paragraph C**Sub-Paragraph I*

In the case of every registered firm, not being a case to which Sub-paragraph II of this Paragraph applies,—

Rates of Income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 10,000 | Nil; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 | 5 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000. |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharge on Income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 10,000 | Nil; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 | 4 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Explanation,—For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

"Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	50 per cent.
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The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph E

In the case of a company,--

Rates of Income-tax

I. In the case of a domestic company,--

(1) where the company is a company in which the public are substantially interested,--

- | | |
|---|-----------------------------------|
| (i) in a case where the total income does not exceed Rs. 1,00,000 | 45 per cent. of the total income; |
| (ii) in a case where the total income exceeds Rs. 1,00,000 | 55 per cent. of the total income; |

(2) where the company is not a company in which the public are substantially interested,--

- | | |
|---|-----------------------------------|
| (i) in the case of an industrial company,-- | |
| (a) where the total income does not exceed Rs. 2,00,000 | 55 per cent. of the total income; |
| (b) where the total income exceeds Rs. 2,00,000 | 60 per cent. of the total income; |
| (ii) in any other case | 65 per cent. of the total income; |

Provided that--

(i) the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of--

- | |
|--|
| (a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and |
| (b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000; |

(ii) the income-tax payable by a domestic company, not being a company in which the public are substantially interested, which is an industrial company and the total income of which exceeds Rs. 2,00,000, shall not exceed the aggregate of--

- | |
|--|
| (a) the income-tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and |
| (b) eighty per cent. of the amount by which its total income exceeds Rs. 2,00,000. |

II. In the case of company other than a domestic company,--

(i) on so much of the total income as consists of--

- | | |
|---|--|
| (a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or | |
| (b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976. | |

and where such agreement has, in either case, been approved by the Central Government	50 per cent.;
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(ii) on the balance, if any, of the total income	70 per cent.;
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Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART II*Rates for deduction of tax at source in certain cases*

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates,—

	Income-tax	
	Rate of income-tax	Rate of surcharge
1. In the case of a person other than a company—		
(a) where the person is resident in India—		
(i) on income by way of interest other than "Interest on securities"	10 per cent.	Nil ;
(ii) on income by way of winnings from lotteries and crossword puzzles	30 per cent.	4.5 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.	4.5 per cent.;
(iv) on income by way of insurance commission	10 per cent.	Nil;
(v) on any other income (excluding interest payable on a tax-free security)	20 per cent.	3 per cent.;
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax-free security)	income-tax at 30 per cent. and surcharge at 4.5 per cent. of the amount of the income,	
	or	
	income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;	
(ii) on income by way of interest payable on a tax-free security	15 per cent.	2.25 per cent.
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities"	20 per cent	1 per cent
(ii) on any other income (excluding interest payable on a tax-free security)	22 per cent.	1 per cent.
(b) where the company is not a domestic company—		
(i) on income by way of dividends payable by any domestic company	25 per cent.	Nil;
(ii) on income by way of royalty payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any	40 per cent.	Nil;

Income-tax		
	Rate of income-tax	Rate of surcharge
rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern		
(iii) on income by way of royalty [not being royalty of the nature referred to in sub-item (b) (ii)] payable by an Indian concern in pursuance of an agreement made by it with the Indian concern and which has been approved by the Central Government,—		
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent.	2.5 per cent.;
(B) where the agreement is made after the 31st day of March, 1976—		
(1) on so much of the amount of such income as consists of lump sum consideration for the transfer outside India of, or the imparting of information outside India in respect of, any data documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, or trade mark or similar property	20 per cent.	Nil;
(2) on the balance, if any, of such income	40 per cent.	Nil;
(iv) on income by way of fees for technical services payable by an Indian concern in pursuance of an agreement made by it with the Indian concern and which has been approved by the Central Government—		
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.	2.5 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	40 per cent.	Nil;
(v) on income by way of interest payable on a tax-free security	44 per cent.	2.2 per cent.
(vi) on any other income	70 per cent.	3.5 per cent.

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" or any payment referred to in sub-section (9) of section 80 E and computing "advance tax"

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter

XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" (not being "advance tax" in respect of any income chargeable to tax under Chapter XII or section 164 of the Income-tax Act at the rates as specified in that chapter or section), shall be so calculated, charged, deducted or computed at the following rate or rates :-

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vi) of clause (31) of section 2 of the Income-tax Act, not being a case to which sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of Income-tax

(1) where the total income does not exceed Rs. 8,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	15 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,050 <i>plus</i> 18 per cent. of the amount by which the total income exceeds Rs. 15,000;
(4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 1,950 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 20,000;
(5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 3,200 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 25,000;
(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 4,700 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 30,000;
(7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 12,700 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 50,000;
(8) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000	Rs. 22,700 <i>plus</i> 55 per cent. of the amount by which the total income exceeds Rs. 70,000;
(9) where the total income exceeds Rs. 1,00,000	Rs. 39,200 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 1,00,000;

Provided that for the purposes of this Sub—Paragraph,—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;
- (ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 10,540, the income-tax payable thereon shall not exceed seventy per cent. of the amount by which the total income exceeds Rs. 10,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1979 exceeds Rs. 10,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 8,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	18 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,260 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 15,000;

- | | |
|--|---|
| (4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,510 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 4,010 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 6,010 <i>plus</i> 50 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 | Rs. 16,010 <i>plus</i> 55 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (8) where the total income exceeds Rs. 70,000 | Rs. 27,010 <i>plus</i> 60 per cent. of the amount by which the total income exceeds Rs. 70,000; |

Provided that for the purposes of this Sub-Paragraph,—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;
- (ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 10,690, the income-tax payable thereon shall not exceed seventy per cent. of the amount by which the total income exceeds Rs. 10,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen percent, of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of Income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 10,000 | 15 per cent. of the total income; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 | Rs. 1,500 <i>plus</i> 25 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 20,000 | Rs. 4,000 <i>plus</i> 40 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on Income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-paragraph II of this Paragraph applies,—

Rates of Income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 10,000 | Nil; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 | 5 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 750 <i>plus</i> 7 per cent. of the amount by which the total income exceeds Rs. 25,000. |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,500 <i>plus</i> 15 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 10,000 <i>plus</i> 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 10,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 | 4 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | Rs. 600 <i>plus</i> 7 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 2,350 <i>plus</i> 13 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 8,850 <i>plus</i> 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000; |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Explanation,—For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

"Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of Income-tax

I. In the case of a domestic company,—

- (1) where the company is a company in which the public are substantially interested,—
 - (i) in a case where the total income does not exceed Rs. 1,00,000 45 per cent. of the total income;
 - (ii) in a case where the total income exceeds Rs. 1,00,000 55 per cent. of the total income;
- (2) where the company is not a company in which the public are substantially interested,—
 - (i) in the case of an industrial company,—

- (a) where the total income does not exceed Rs. 2,00,000 55 per cent. of the total income;
- (b) where the total income exceeds Rs. 2,00,000 60 per cent. of the total income;
- (ii) In any other case 65 per cent. of the total income;

Provided that—

- (i) the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 1,00,000, shall not exceed the aggregate of—
 - (a) the income-tax which would have been payable by the company if its total income had been Rs. 1,00,000 (the income of Rs. 1,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and
 - (b) eighty per cent. of the amount by which its total income exceeds Rs. 1,00,000;
 - (ii) the income-tax payable by a domestic company, not being a company in which the public are substantially interested, which is an industrial company and the total income of which exceeds Rs. 2,00,000, shall not exceed the aggregate of—
 - (a) the income-tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and
 - (b) eighty per cent. of the amount by which its total income exceeds Rs. 2,00,000.
- II. In the case of company other than a domestic company,—
- (i) on so much of the total income as consists of—
 - (a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or
 - (b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976.

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;
 - (ii) on the balance, if any, of the total income 70 per cent.;

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART IV

[See section 2(7)(e)]

Rules for computation of net Agricultural income

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, to apply accordingly :

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains

of business or profession" and the provisions of sections 30, 31, 32, 34, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, and 43A of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly :

Provided that sub-section (2) of the said section 23 shall apply subject to the modifications that the references to "total income" therein shall be construed as references to net agricultural income and that the words, figures and letter "and before making any deduction under Chapter VIA" shall be omitted.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee.

Rule 5. Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act, which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of the said section 183 and which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act and the share so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 7.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income;

Provided that where the assessee is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of section 183 of the Income-tax Act or is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 8.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 9.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1978, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1974 or the 1st day of April, 1975 or the 1st day of April, 1976 or the 1st day of April, 1977, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

- (i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1974, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1975 or the 1st day of April, 1976, or the 1st day of April, 1977,

- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1975 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1976 or the 1st day of April, 1977,
- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, and
- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1978,

- (2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1974 or the 1st day of April, 1975 or the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978, is a loss, then, for the purposes of sub-section (6) of section 2 of this Act,—

- (i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1974, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1975 or the 1st day of April, 1976, or the 1st day of April, 1977 or the 1st day of April, 1978,
- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1975, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978.
- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 or the 1st day of April, 1978,
- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, and
- (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the period aforesaid.

- (3) Where a change has occurred in the constitution of a firm, nothing in sub-rule (1) or sub-rule (2) shall entitle the firm to set off so much of the loss proportionate to the share of a retired or deceased partner computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income tax Act as exceeds his share of profits. If any, of the previous year in the firm, or entitle any partner to the benefit of any portion of the said loss (computed in the manner aforesaid) which is not apportionable to him.
- (4) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).
- (5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules, or the rules contained in Part IV of the First Schedule to the Finance Act, 1974, or of the First Schedule to the Finance Act, 1975, or of the First Schedule to the Finance Act, 1976 or of the first Schedule to the Finance (No. 2) Act, 1977, shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 10. Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *Nil*.

Rule 11.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 12.—For the purposes of computing the net agricultural income of the assessee, the Income-tax Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

—AS PASSED BY LOK SABHA



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